

# ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



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ASX Market Announcements Office via electronic lodgment

06 April 2017

## Uranium Equities Secures Highly Prospective Cobalt Project in Chile

*UEQ diversifies its portfolio of energy-related metals projects through Option and Joint Venture deal on Plateado Cobalt Project*

### Highlights

- UEQ executes binding Option and Joint Venture agreement with Antasitua Chile SPA to earn-in to an 80% interest in the Plateado Cobalt project, Chile.
- The Plateado Cobalt Project contains a historical mine which is reported to have produced high-grade cobalt.
- Recent sampling of historical workings has returned grades of up to 0.89% Co.
- Initial work program to comprise rock-chip sampling, soil geochemistry and reconnaissance mapping.
- Agreement represents a first step towards diversifying UEQ's energy metals exposure, complementing its extensive uranium portfolio in the world-class Alligator Rivers Uranium Province on the Northern Territory.

Uranium Equities (ASX: UEQ; the Company) is pleased to announce that it has secured a highly promising cobalt exploration opportunity in Chile after reaching agreement to acquire a majority interest in the Plateado Cobalt Project in Chile (Figure 1).

Under a binding Option and Joint Venture Term Sheet with Antasitua Chile SPA (Antasitua), the Company can earn-in to an 80% interest in the project, which contains an area of historical high-grade cobalt workings located 130km north-west of the capital, Santiago.

The proposed acquisition represents the Company's first step towards diversifying and expanding its energy metals exposure and complements its dominant land position in the world-class Alligator Rivers Uranium Province in the Northern Territory.

The Plateado Project comprises 12 contiguous tenement applications for total area under application of 36km<sup>2</sup> in the province of Petorca. The Company will undertake reconnaissance exploration activities over the project during an exclusive 90-day due diligence period with the expectation that the tenements will be granted subject to approval by the Chilean mining authorities.

A 1941 report sourced from the Nacional Service of Geology and Mining (Sernageomin) describes the workings located near the top of El Bolso hill as having commenced in 1899 and periodically worked in the 1930's to produce high-grade cobalt. The workings are indicative of artisanal-scale mining, however there are no indications that the area has been subsequently explored using modern exploration techniques, and UEQ is excited about the opportunity to undertake a new phase of exploration in an area with known cobalt mineralisation.

ASX: UEQ

### HEAD OFFICE

Level 2, 1292 Hay Street  
West Perth, WA 6005  
GPO Box 2890  
Perth, WA 6001  
T: +61 8 9322 3990  
F: +61 8 9322 5800  
E: info@uel.com.au

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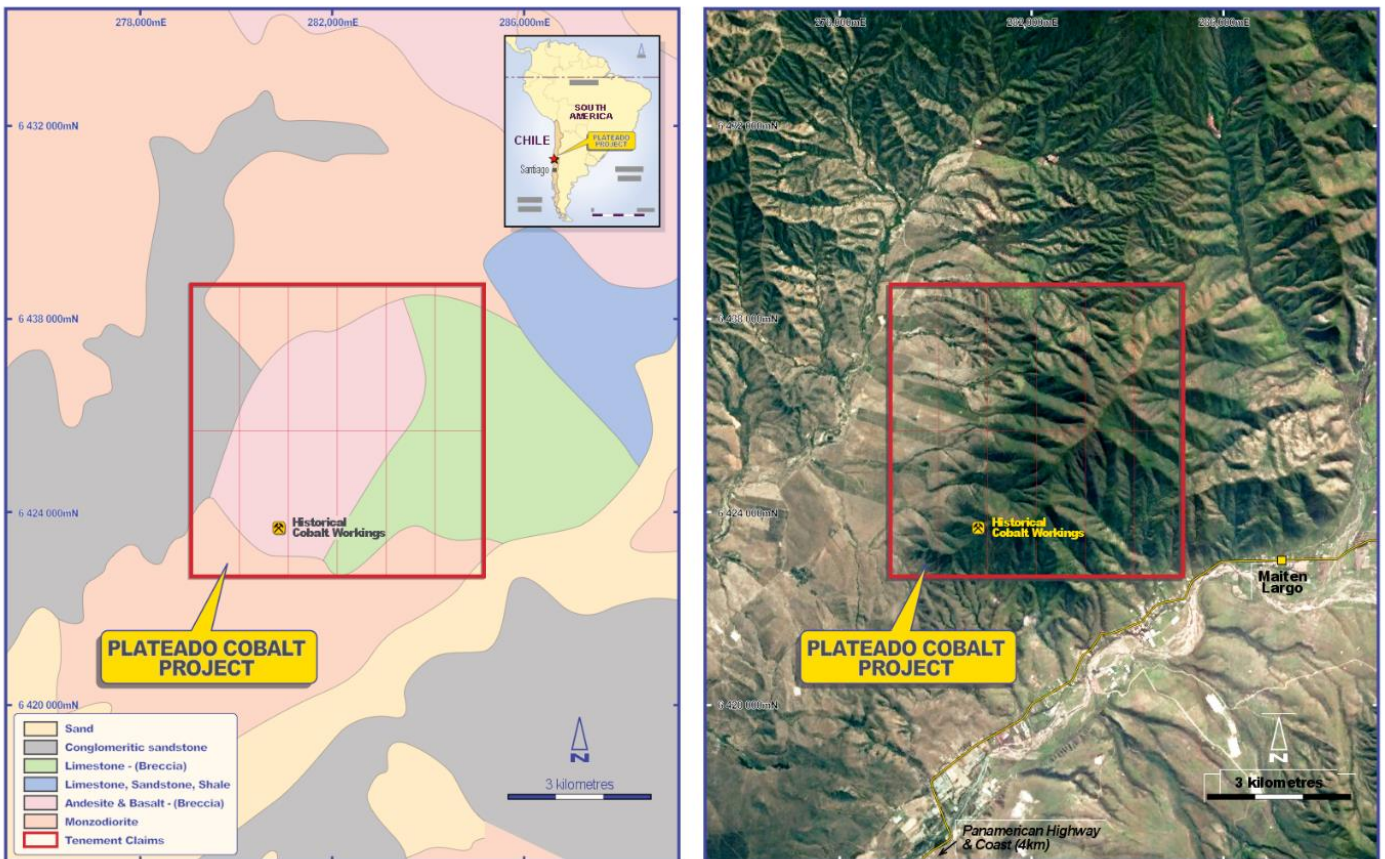
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Antasitua undertook a site visit to the Plateado Project in January 2017 and located a 25m x 25m x 4.5m deep pit near the top of El Boldo hill. Rock-chip sampling of the workings **returned grades of up to 0.89% cobalt from samples containing cobaltite and erythrite** (see Figure 2, Table 1).

The cobalt mineralisation identified in the workings is interpreted to lie within a 4-5m wide sedimentary manto (hornfels) which strikes north-south and dips at about 30 degrees west. Antasitua has also indicated that the local geological setting may contain primary feeder-type veins within the underlying andesite volcanic sequence, providing an additional exploration target for immediate follow up.

The Company plans to undertake initial reconnaissance exploration activities including more extensive rock-chip sampling and mapping as well as a soil geochemical survey over the prospective andesite volcanic/sedimentary succession once the option is exercised and tenements are granted.



**Figure 1.** Interpreted geology and aerial photography of the Plateado Cobalt project showing the location of the historical cobalt workings and the outline of the current tenement applications.



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**Figure 2.** Historical cobalt workings (left; with geologist for scale) and (right) cobaltite-erythrite mineralisation (silver-pink) in sediment manto (hornfels).

## Option and Joint Venture Agreement Terms

Under the binding option and joint venture agreement with Antasitua Chile SPA, Uranium Equities may earn an 80% interest in the Plateado Cobalt under the following key terms:

- i) A\$20,000 payment on signing the binding term sheet (payment made), after which Uranium Equities has an exclusive 90-day due diligence period;
- ii) A\$30,000 payment on exercise of the option and grant of the tenements;
- iii) A\$50,000 payment on the first anniversary of exercising the option and a \$100,000 expenditure commitment inclusive of due diligence costs;
- iv) A\$50,000 payment on the second anniversary of exercising the option and a \$150,000 expenditure commitment; and
- v) A\$50,000 payment on third anniversary of exercising the option and a \$250,000 expenditure commitment.

UEQ Director, Dr Kevin Frost, said: *“The Plateado cobalt project hosts cobalt mineralisation associated with an interpreted manto (hornfels), which is an analogous geological setting to other important base metal and precious metal deposits in the coastal cordillera of Chile. This is an ideal geological setting in which to explore for near-surface cobalt mineralisation, as well as for potential feeder veins located in the underlying volcanic units.*”

*“We are looking forward to working with Antasitua on the Plateado Cobalt Project, which is an attractive exploration opportunity for cobalt at a time when prices for the metal are at historic highs and investor interest in potential new cobalt projects is very strong. We see this as a complementary growth opportunity in energy-related metals alongside our world-class uranium portfolio in the Northern Territory, and we are looking forward to getting on the ground soon to begin exploration.”*

Tim Goyder  
Chairman

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For further information, please contact:

Tim Goyder, Chairman  
Uranium Equities Limited  
Telephone +61 8 9322 3990

For media inquiries, please contact:

Nicholas Read  
Read Corporate  
Telephone: +61 8 9388 1474

## COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration results is based on information compiled by Antasitua Chile SPA and reviewed by Dr Kevin Frost who is a Non-Executive Director of the Company and a member of the Australian Institute of Geoscientists. Dr Frost has sufficient experience that is relevant to the styles of mineralisation, the types of deposits under consideration and to the activities undertaken to qualify as a Competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Frost consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

**Table 1. Rock-chip assay results**

Sample ID	Easting (mE)	Northing (mN)	Co (%)	Cu (ppm)	Mo (ppm)	As (%)	S (%)
PL-135	280,899	6,423,723	0.065	264	8	0.31	0.15
PL-136	280,901	6,423,722	0.028	236	3	0.13	0.16
PL-137	280,905	6,423,718	0.152	115	18	0.55	0.31
PL-138	280,894	6,423,741	0.89	349	115	+1.0%	1.64

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## JORC CODE 2012 EDITION TABLE 1 PLATEADO COLBALT PROJECT Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Rock-chip samples collected from historical workings
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Rock-chip samples are collected from available exposures and may not be representative of material from the area.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	
<b>Drilling techniques</b>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	No drilling was undertaken.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling was undertaken.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling was undertaken.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No drilling was undertaken.
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling or logging was undertaken.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Not applicable
	<i>The total length and percentage of the relevant intersections logged.</i>	Not applicable
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling reported
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not applicable

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Criteria	JORC Code explanation	Commentary
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Not applicable
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Not applicable
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Not applicable
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Not applicable
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The analytical technique is considered total
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Not applicable
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established</i>	Andes Assay Laboratory inserted standards. Single sample repeated within acceptable limits
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	None undertaken
	<i>The use of twinned holes.</i>	None undertaken
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All field data was manually collected and entered into excel spreadsheets and validated.
	<i>Discuss any adjustment to assay data.</i>	None required
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Sample located by hand-held GPS to accuracies of 5m.
	<i>Specification of the grid system used</i>	The grid system used is UTM WGS84 Zone 19
	<i>Quality and adequacy of topographic control.</i>	No topographic control has been used for rock-chip samples
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	Rock-chip samples collected at uneven spacings
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Rock-chip samples represent early-stage results and do not demonstrate continuity of mineralisation
	<i>Whether sample compositing has been applied.</i>	None applied
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Rock-chip samples are collected from available exposures and given the early stage of exploration there is insufficient information to determine if sample bias exists.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is</i>	No drilling reported

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	<i>considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Rock-chip samples shipped directly to analytical laboratory
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	None completed.

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The Plateado Cobalt project comprises a total of 12 contiguous tenement applications named Plateado 1 to Plateado 12 owned 100% by Antasitua Chile SPA and lodged in February and March 2017. Each tenement application is 300 Ha in area.</p> <p>The Plateado Cobalt project is located about 130km north west of Santiago and situated in the coastal cordillera of Chile, Petorca Province.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	All tenements are applications with no certainty that tenements will be granted.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Not verified
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Plateado Cobalt project is located within the coastal cordillera of Chile which in this region comprises a belt of Mesozoic volcanic and sedimentary rocks intruded by monzodiorite batholiths.</p> <p>The project contains a site of historical cobalt workings which were described in a 1941 report sourced from the Chilean Geological Survey. The report authored by Mr Leo Michel, Mining Engineer, Santiago, describes a site of historical cobalt workings located on the top of El Bolfo hill which were commenced in 1899 and periodically work in the mid 1930's and were reported to have produced high grade cobalt.</p> <p>Rock-chip sampling undertaken by Antasitua SPA in February 2017 has reported up to 0.89% Co from samples containing cobaltite-erythrite mineralisation hosted in manto sedimentary rocks.</p>
<b>Drill hole Information</b>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul>	No drilling is reported
<b>Data aggregation methods</b>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Not applicable



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	<p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	Not applicable
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	Not applicable
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	Not applicable
<p><b>Diagrams</b></p>	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	Refer to Figures 1,2
<p><b>Balanced reporting</b></p>	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	All results of significance have been reported.
<p><b>Other substantive exploration data</b></p>	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	
<p><b>Further work</b></p>	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p>	The project will be subject to more extensive rock-chip sampling, soil geochemical surveying and geological mapping.