

# ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



ASX Market Announcements Office via electronic lodgment

28 January 2016

## Quarterly Report for the Quarter Ended 31 December 2015

### HIGHLIGHTS:

- Modelling of Nabarlek Offset target indicates that the prospective geology below the Oenpelli Dolerite is untested for approximately 2.0km in total along strike to the northwest and southeast along the projected trend of the structure identified from drilling completed last quarter.
- A review of RC drilling completed at GC-11 geochemical target last quarter has substantiated that the prospective geology is only tested by shallow aircore drilling with no drilling testing below the Kombolgie Sandstone unconformity along strike for 2.5km to the west. As the uranium mineralisation intersected in drilling completed last quarter is blind, this area remains a high-priority target for additional exploration.
- Other high-priority targets have been highlighted for follow-up work given the success of drilling at GC-11 which was targeting a multi-element pathfinder geochemical anomaly.
- Uranium Equities negotiated an agreement with Cameco Australia Pty Ltd to extend the period to earn 100% interest in the West Arnhem Joint Venture from 10<sup>th</sup> September 2016 to 31<sup>st</sup> December 2017.

### 1. EXPLORATION ACTIVITIES – ALLIGATOR RIVERS, NORTHERN TERRITORY

*The Alligator Rivers Uranium Province (ARUP) in the Northern Territory is a world-class uranium province, comparable to the Athabasca Uranium Province in Canada in terms of its uranium endowment and geological setting. The focus of Uranium Equities' (UEQ, the Company) exploration activities in the ARUP is on the discovery of high-grade Alligator Rivers-style, unconformity and structurally controlled uranium deposits. The Company has been actively exploring the ARUP region both exclusively and in joint venture with Cameco Australia since 2007, and believes that its consolidated ground position has exceptional potential for discovery.*

#### Overview

During the quarter, the Company focused on follow-up activities from the previous quarter drilling results at the Nabarlek Offset target and the recently discovered uranium mineralisation at target GC-11 on the West Arnhem Joint Venture (WAJV). In addition, the Company has identified other priority targets from a current project-wide target generation program which it expects to be completed during the March quarter.

#### 1.1 Nabarlek Project

*The West Arnhem Joint Venture with Cameco Australia (Uranium Equities right to earn 100%) and the 100%-owned Nabarlek Mineral Lease, located in the ARUP, represent a rare near-mine uranium exploration opportunity surrounding the historic Nabarlek Uranium Mine (previous production: 24Mlb @ 1.84% U<sub>3</sub>O<sub>8</sub>) – the Nabarlek Project.*

ASX: UEQ

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The Nabarlek Project covers the historical Nabarlek Mining Lease where the Company is targeting structural and geological extensions and repetitions of the high grade Nabarlek orebody. Outside the Nabarlek ML, UEQ has identified a number of prospects where drilling has intersected high grade uranium.

## Nabarlek Offset prospect, Mining Lease MLN962 (100% UEQ)

Diamond drilling completed last quarter at the Nabarlek Offset target tested beneath the Oenpelli Dolerite on two drill sections located 150m apart (Figure 1). Drilling intersected up to 2 discrete fault zones 60m apart and between 15-40m wide located below the lower contact of the Oenpelli Dolerite. The fault zones are manifest by locally developed quartz vein breccias, fault gouges (broken core, clay alteration) with associated strong to intense bleaching and silicification and variable amounts of illite, haematite and sulphide alteration (pyrite and/or chalcopyrite). The host rocks to the structures represents a sequence of foliated and interlayered semi-pelite and amphibolite (Cahill Formation) which are geologically similar to the sequence which hosts the Nabarlek mine above the Oenpelli Dolerite.

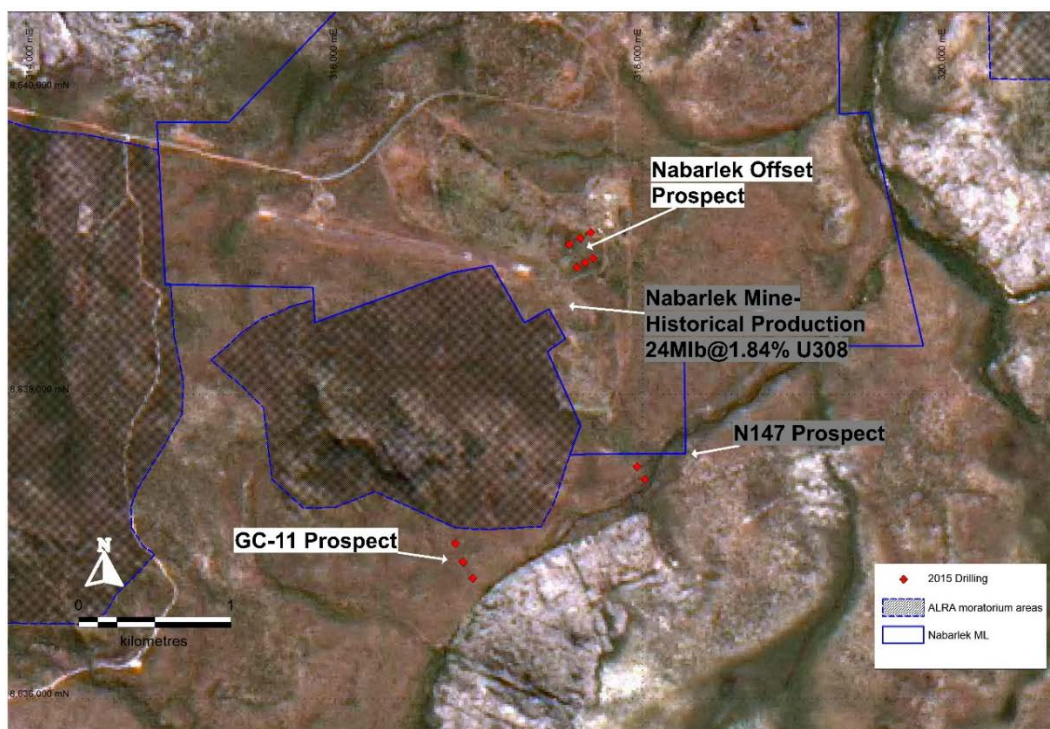


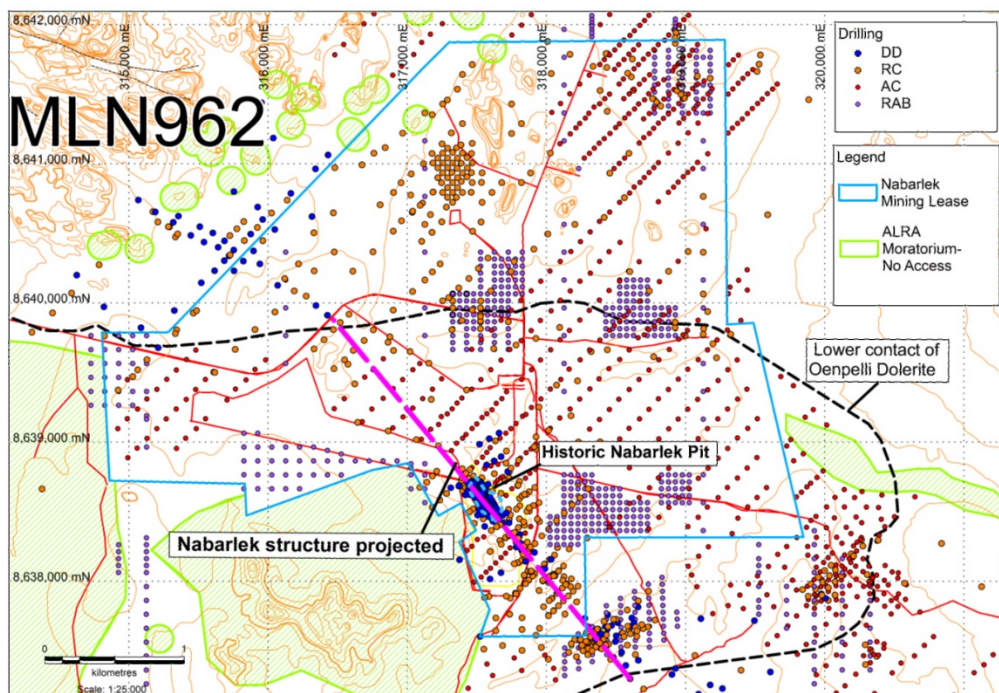
Figure 1:- Nabarlek Project, location of 2015 drilling and prospects

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The fault zones intersected below the Oenpelli Dolerite are interpreted as the same structural zone hosting the Nabarlek mine above the dolerite, which suggests that this prospective structural position may also extend along strike. Historic drilling at Nabarlek mostly tested above the Oenpelli Dolerite, given this unit is up to 250m thick, and only 3 drill holes tested beneath the dolerite intersecting basement schists (Cahill Formation) broadly within the area of interest. Projection of the identified structural zone along strike has indicated that this position is untested for approximately 2.0km below the Oenpelli Dolerite (Figure 2). The northwest projection of the structure is completely untested on a strike of about 1.1km below the Oenpelli Dolerite, and the southeast projection is essentially untested along a 1.0km strike length, with only 3 historic holes located beneath the Nabarlek mine area. One historic drill hole (NAD083) drilled below the Oenpelli Dolerite intersected strong chlorite alteration in basement schists, which is considered a proximal vector to a uranium-style alteration system. Note that significant uranium mineralisation is intersected at N147 prospect along the southern projection of this trend, with uranium occurring within the lower part of the Oenpelli Dolerite.



**Figure 2. Nabarlek Project showing location of the Nabarlek structure and the projected strike extent beneath the Oenpelli Dolerite.**

## Prospect GC-11, WAJV

GC-11 is located 1.5km west-southwest along strike from the uranium mineralisation intersected at N147 Prospect and the western strike extent of this prospective geological sequence has only been tested with shallow aircore/RAB drilling (Figure 3).

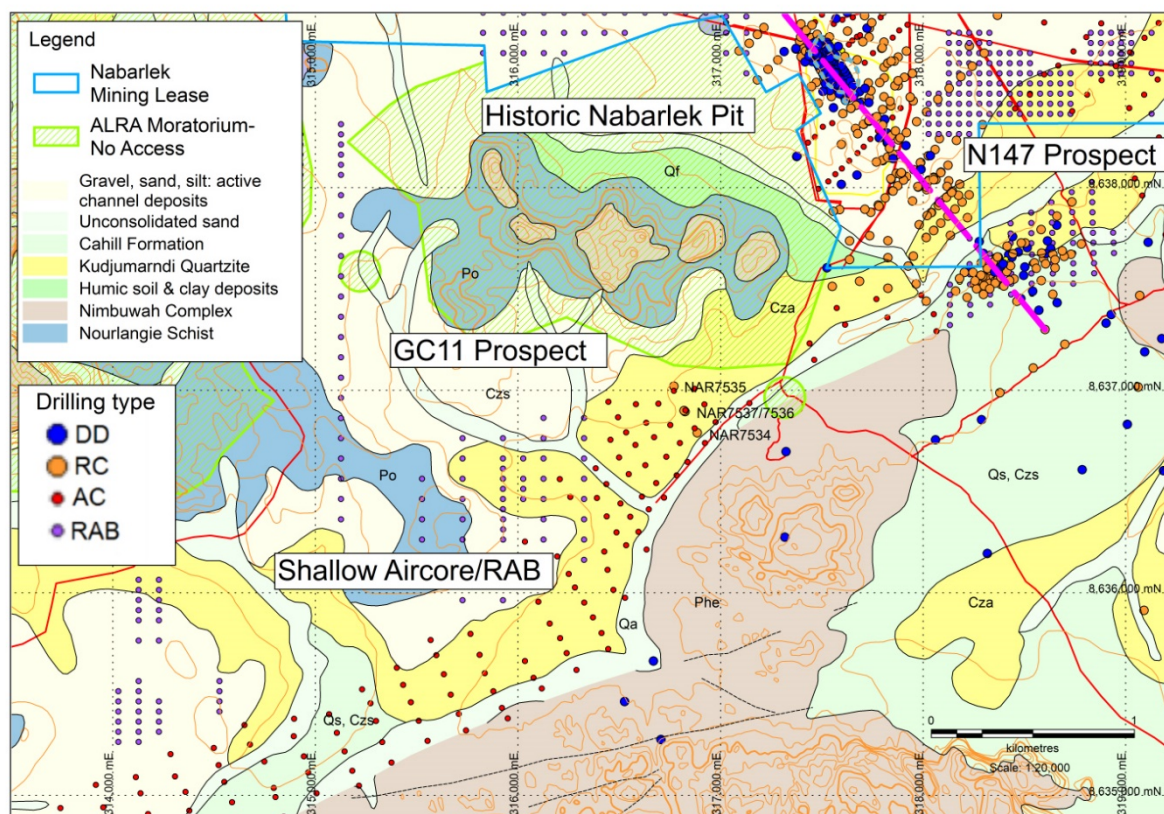


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**Figure 3. Plan of GC-11 prospect showing local geology, drill collars and location of previous quarter RC drill holes (NAR7534-7537).**

Reverse circulation (RC) drilling completed during the previous quarter intersected high-grade uranium mineralisation in two drill holes (NAR7535, 7537) within the lower section of the Oenpelli Dolerite (Figures 4,5). One RC drill hole (NAR7534) intersected a zone of proximal illite-chlorite, silica alteration and a redox front within the lower section of the Kombolgie Sandstone (Figures 4,5). These exciting results are interpreted to indicate that a prospective uranium alteration system is located proximal to the drill traverse and further work is required to assist with understanding the local geology and the structural setting of the uranium mineralisation. Previous drilling in this area is restricted to shallow aircore/RAB drilling over a 3.5km strike length west of the UEQ RC drilling (Figure 3). While the aircore/RAB drilling was successful in identifying multi-element alteration and pathfinder geochemical anomalies, the drilling is very restricted in depth and the favourable Kombolgie Sandstone unconformity contact is untested apart from the RC drilling undertaken by the Company last quarter.

A program of ground gravity is planned for GC-11 in the upcoming field season to identify favourable structural and/or alteration patterns within the local geological setting including the host Kombolgie Sandstone, Oenpelli Dolerite and basement schists (Cahill Formation). This survey will be utilised to prioritise other multi-element alteration and pathfinder geochemical anomalies recorded in the area. In addition, field reconnaissance activities completed during the quarter highlighted relatively thin colluvial cover with areas of subcropping geology of the Cahill Formation schists in the GC-11 area, and a program of geological mapping and prospecting is planned for the June quarter.

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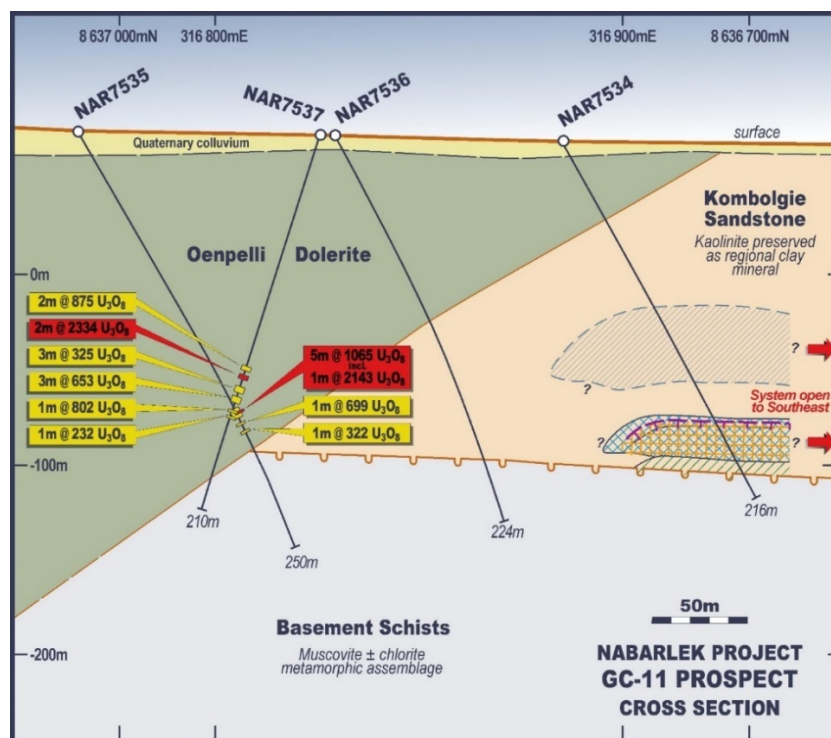


Figure 4. GC-11 prospect cross section. Note the Unconformity- style alteration system identified in drill hole NAR7534 (for alteration legend see Figure 5).

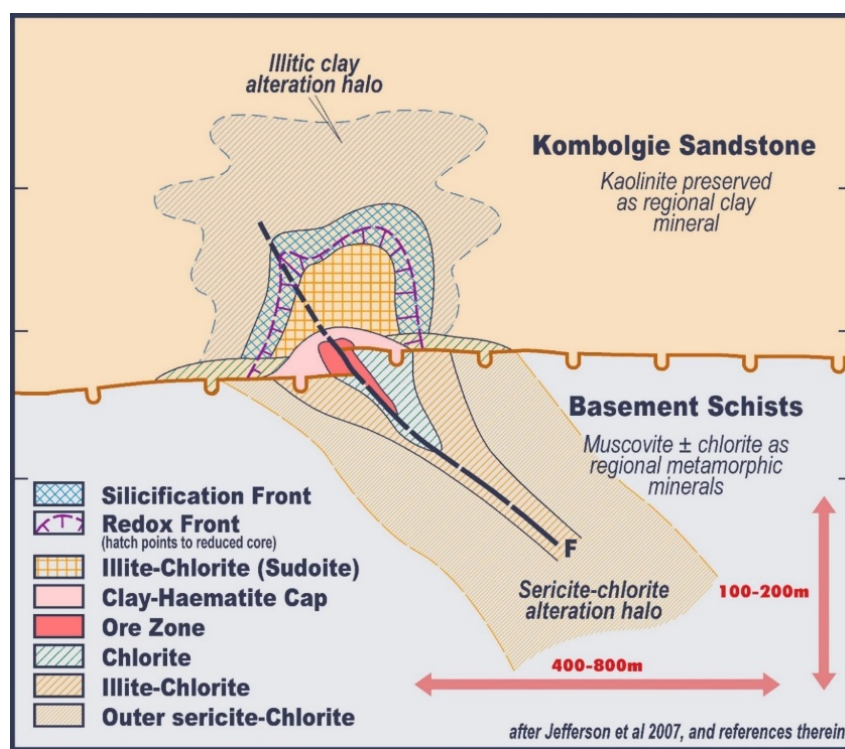


Figure 5. Alteration zonation through an Unconformity-style uranium deposit

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Ongoing project activities include a new program of target generation throughout the Nabarlek Mineral Lease and surrounding WAJV Exploration Licences to allow prioritising of areas and targets for the upcoming field season. Datasets for geophysics, geology, drilling and geochemistry are being integrated with public datasets to allow a project-wide compilation and review. This work program is expected to be completed during the March quarter.

## 1.2 Other Projects

### Arnhem Minerals (NT)

During the reporting period the Company lodged an s41(6) application to negotiate to grant tenement ELA25385 as this tenement application was released from a 5-yr moratorium on 25<sup>th</sup> November 2015.

### Rudall River (WA)

*The Rudall River Project (Uranium Equities 100%) consists of three Exploration Licences covering a total area of 172km<sup>2</sup>. The western-most Exploration Licence adjoins the Cameco/Mitsubishi Kintyre Project (current published NI43-101 compliant measured and indicated resource estimate of 55Mlbs @ 0.58% U<sub>3</sub>O<sub>8</sub>).*

The Company continues to work on identifying potential partners to progress the Rudall River Project.

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## 1.3 Project Summary

This section is provided in compliance with Listing Rule 5.3.

### Expenditure

Exploration and evaluation expenditure made by the Company during the quarter was \$115,101 (YTD: \$808,214). In addition, during the quarter the Company has spent \$140,099 on administration costs (YTD: \$251,830).

### Projects

Name		Target	Area (km <sup>2</sup> )		Beneficial Ownership
			Granted	Applic.	
West Arnhem JV	NT	Structurally controlled and unconformity style uranium	448	49	UEQ 40% – earning 100%: Cameco Australia 60%
Nabarlek ML	NT		12	-	UEQ 100%
Arnhem Minerals, Woodside, Browse, Cadel North, Pluto & Aurari Bay	NT		-	2,351	UEQ 100%
Headwaters	NT	Coronation Hill-style gold – platinum – palladium – uranium	-	2,280	UEQ 100% (in moratorium)
Rudall River	WA	Kintyre style uranium	172	-	UEQ 100%
			632	4,680	

A full list of tenements held by the Company is enclosed in Appendix 1.

### Changes in tenements held during the quarter

Nil

### Changes in farm-in or farm-out agreements during the quarter

Nil

## 2. CORPORATE

On December 22nd 2015 the Company announced that it has agreed with Cameco Australia Pty Ltd to extend the period to earn a 100% interest in the West Arnhem Joint Venture from 10 September 2016 until 31 December 2017.

As of 31<sup>st</sup> December 2015 the Company has incurred expenditure of \$1.52 million, with a further \$0.48 million remaining to meet the full expenditure commitment of \$2 million pursuant to the terms of the joint venture agreement.



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The Group's cash balance at the end of the quarter was \$368,545 (refer Appendix 5B for further information).

The Company also held 8,004,393 shares in ASX listed Enterprise Uranium Limited (ASX:ENU) and retained a 9.9% interest (3,455,371 shares) in unlisted PhosEnergy Limited ([www.phosenergy.com](http://www.phosenergy.com)).

A handwritten signature in blue ink, appearing to read "Tim Goyder", with a stylized flourish at the end.

Tim Goyder  
Chairman

## Competent Person Statement

This information in relation to drilling results at the Nabarlek Project are extracted from ASX Announcements entitled 'RC and Diamond Drilling Results Nabarlek Project' created on 7th October 2015. This information is available to view at [www.uel.com.au](http://www.uel.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



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## Appendix 1 – Tenement Schedule

State	Project	Tenement	Status	Current Equity
NT	Nabarlek	EL10176	Granted	40%
		EL24371	Granted	40%
		EL23700	Granted	40%
		ELA24878	Application	40%
		MLN962	Granted	100%
	Arnhem Minerals	ELA25384	Application	100%
		ELA25385	Application	100%
		ELA25386	Application	100%
		ELA25387	Application	100%
		ELA25389	Application	100%
		ELA25391	Application	100%
		ELA25393	Application	100%
	Headwaters	ELA27153	Application	100%
		ELA27513	Application	100%
		ELA27514	Application	100%
		ELA27515	Application	100%
	Woodside	ELA29947	Application	100%
	Browse	ELA29945	Application	100%
	Cadel North	ELA28316	Application	100%
	Aurari Bay	ELA29897	Application	100%
	Pluto	ELA30073	Application	100%
WA	Rudall River	E45/3118	Granted	100%
		E45/3119	Granted	100%
		E45/3126	Granted	100%

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Uranium Equities Limited

ABN

74 009 799 553

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A	Year to date (6 months) \$A
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(115,101)	(808,214)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(140,099)	(251,830)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2,078	27,721
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid)/received	-	-
1.7	Other (management fees received)	-	-
<b>Net Operating Cash Flows</b>		<b>(253,122)</b>	<b>(1,032,323)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(253,122)</b>	<b>(1,032,323)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(253,122)	(1,032,323)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	(3,507)	1,103,912
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (movement in restricted cash)	15,560	12,174
	<b>Net financing cash flows</b>	<b>12,053</b>	<b>1,116,086</b>
	<b>Net increase (decrease) in cash held</b>	<b>(241,069)</b>	<b>83,763</b>
1.20	Cash at beginning of quarter/year to date	609,614	284,782
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>368,545</b>	<b>368,545</b>

Notes:

- (1) Cash balance excludes \$1.602 million held as security deposits or against bank guarantees for rehabilitation obligations on the Nabarlek Mineral Lease and West Arnhem Land tenements and an office lease, which is treated as Restricted Cash in the Company's financial statements.

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	9,496
1.24	Aggregate amount of loans to the parties included in item 1.10	-

- 1.25 Explanation necessary for an understanding of the transactions

Item 1.23	Current quarter consists of director's fees and employer superannuation contributions (\$9,496). All transactions are on commercial terms.
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### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

At the Company's Annual General Meeting held in November 2015, Shareholders approved the issue of 11,317,500 shares to directors, at an issue price of 0.8 cents per share, in lieu of directors' and consulting fees outstanding up to September 2015.
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**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	150,000
4.2 Development	-
4.3 Production	-
4.4 Administration	127,500
<b>Total</b>	<b>277,500</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	342,258	598,886
5.2 Deposits at call	26,287	10,728
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>368,545</b>	<b>609,614</b>

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	N/A	N/A	N/A	N/A
7.2	N/A	N/A	N/A	N/A
7.3	618,502,191	618,502,191	N/A	N/A
7.4	11,317,500	11,317,500	0.08	0.08
	Nil	Nil	N/A	N/A
7.5	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
7.7	<b>Options</b> (unlisted share options)	Nil	Nil	<i>Exercise price</i> N/A	<i>Expiry date</i> N/A
	<b>Unlisted Performance Rights</b>	Nil	Nil	N/A	N/A
7.8	Issued during quarter	N/A	N/A	N/A	N/A
7.9	Exercised during quarter	N/A	N/A	N/A	N/A
7.10	Expired during quarter				
	<b>Options</b>	Nil	Nil	N/A	N/A
	<b>Performance Rights.</b>	Nil	Nil	N/A	N/A
7.11	<b>Debentures</b> (totals only)	N/A	N/A		
7.12	<b>Unsecured notes</b> (totals only)	N/A	N/A		

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 28 January 2016

Print name: Kym Verheyen

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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