

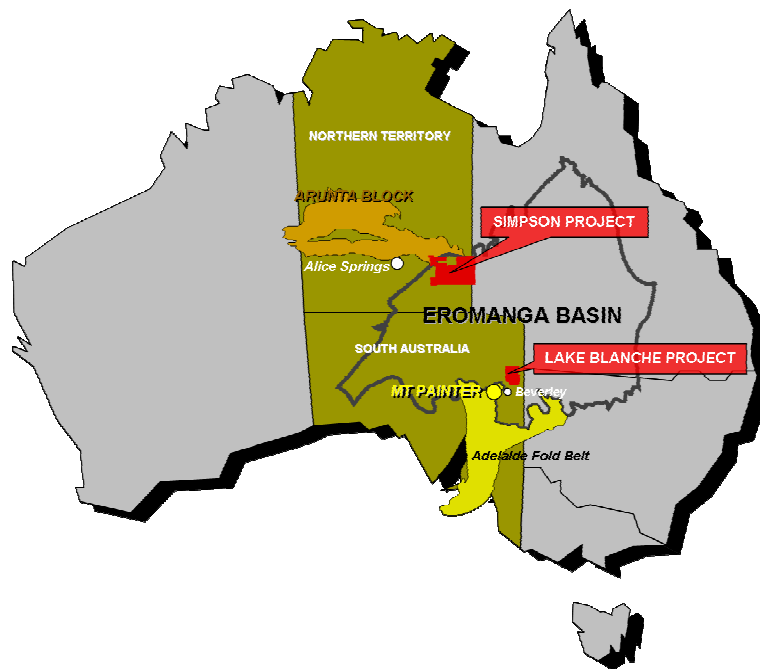
'Roll-Front' Uranium Focus in Central Australia

- Major new Central Australian exploration initiative
- Applications lodged for exploration title covering 34,971km² in two major blocks – **Simpson Project** in **NT** and **Lake Blanche** in **SA**.
- Project areas have potential for discovery of 'roll-front' uranium deposits similar to major uranium deposits and production centres in Kazakhstan and to Honeymoon, Beverley and Beverley Four Mile Uranium deposits in South Australia.
- Initiative well suited for in-house expertise in 'roll-front' uranium exploration, discovery, development and mining (ISL and conventional).

Major New Exploration Initiative

Uranium Equities is pleased to advise details of a major new exploration initiative capitalizing on the company's unique 'roll-front' uranium exploration experience and its exploration to mining track record.

Applications have been lodged for 27 Exploration Licenses covering 34,971km² of the Eromanga Basin in central Australia. The applications are in two major project areas – **Simpson** (NT) located east of Alice Springs and **Lake Blanche** (SA) located north of the Beverley Uranium mine.



Exploration Target

Roll-front uranium forms the largest category of global sandstone-hosted uranium deposits with well documented uranium production centres in Kazakhstan, USA and Australia. Uranium is generally derived from uraniumiferous granitic or volcanic terrains and concentrated at reduction-oxidation interfaces within permeable host sands of adjoining sedimentary basins.

Geological Province	Total Resources (pre mining) tonne U₃O₈
Kazakhstan Chu-Saryssu & Syrdarya Basins	1,334,300
USA Sandstone hosted deposits	99,000
Australia Frome Embayment – South Australia Beverley, Honeymoon, East Kalkaroo, Goulds Dam, Beverley 4-Mile <i>* Based on</i>	40,725
Amadeus Basin – Northern Territory Angela, Pamela	10,250
Ngalia Basin – Northern Territory Bigryli, Walbiri	6,300
Sources: IAEA Red Book 2005 Geoscience Australia Alliance Resources Limited Resource Statement 8 May 2007 Energy Metals Limited ASX Statement 2 March 2007	

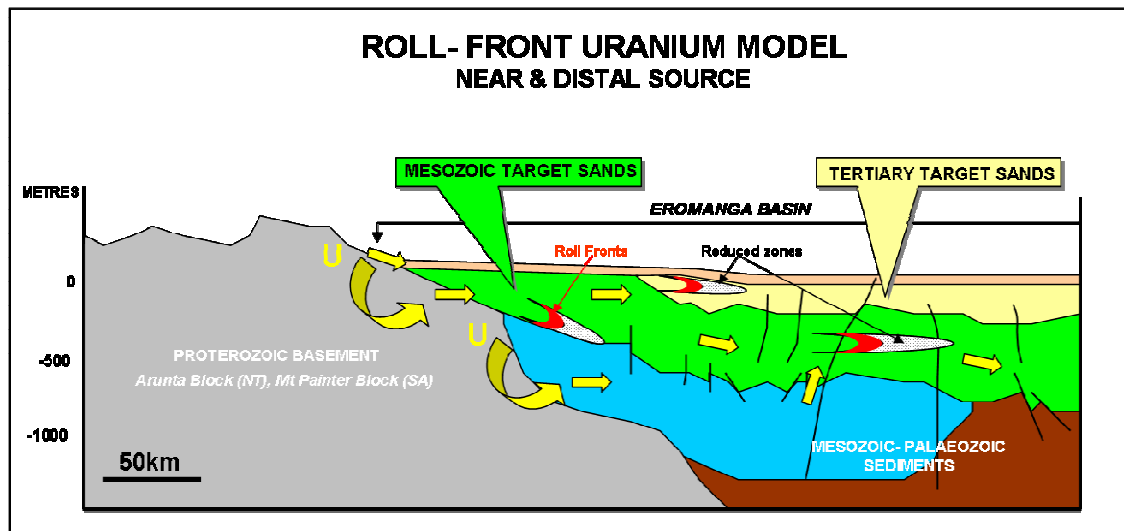
In Australia, in the 1960s, 1970s and more recently, roll-front deposits have been the focus for intensive exploration efforts. The major sandstone-hosted uranium deposits and mines (Beverley, Honeymoon and Beverley 4-Mile, South Australia) are located in shallow (<200m) relatively young sand units with uranium deposited either in reduced sands or at redox interfaces close to (i.e. within 20 km) the source rocks.

This target model however, is not restricted to younger sedimentary environments. In the Amadeus and Ngalia Basins 'roll-front' uranium occurs in folded Palaeozoic sandstones at Angela and Bigryli respectively. In Kazakhstan, uranium is contained within Mesozoic sandstones of the Chu-Saryssu and Syrdarya Basins where the uranium resources are at least 13 times greater than the total sandstone resource figures for Australia. In addition, the Kazakhstan deposits are located up to 200km distant from the uraniumiferous source rocks of the Karatau Mountains and major orebodies are present at depths up to 800m.

Eromanga Basin

The Eromanga Basin is a major sedimentary basin containing sequences of prospective host rocks adjoining uraniumiferous source rocks of the Arunta Block in the NT and the Mt Painter Block in SA. The geological environment mirrors that of the geology of the Kazakhstan Chu-Saryssu and Syrdarya uranium-bearing basins.

Recently, exploration companies have targeted the shallow, near source uranium potential of parts of this basin, however to date the Kazakhstan model has not been widely employed in more remote parts of the basin. Uranium Equities has taken large landholdings in the Eromanga Basin for this purpose in both the Northern Territory (**Simpson Project**), and South Australia (**Lake Blanche Project**).



Basin Edge Cross Section illustrating the transport of uranium and the formation of uranium deposits

Simpson

Simpson covers an area of 28,706km² adjacent to uraniumiferous rocks of the older Arunta Block. The large land position allows for the potential of near-source uranium within shallow palaeochannels and sands in addition to the possible presence of Kazakhstan style deposits further into the basin. Tenement acquisition was based in part from recent depth to basement data from the Northern Territory Geological Survey.

Lake Blanche

Lake Blanche covers an area of 6,265 km² located 60 to 260km distant from the highly-uraniferous source rocks of the Mt Painter Block. To the north of Lake Blanche the Mesozoic sequence is well understood from extensive petroleum exploration activities and downhole gamma-logs show widespread anomalism¹.

¹ Krieg GW and Rogers PA, 1995. Stratigraphy – Marine succession. In: Drexel, JF, and Preiss, WV, 1995. (Eds) Geological Survey of South Australia Bulletin 54(Vol. 2) 122.

Program

A review of all regional subsurface data (petroleum wells, seismic data and historical exploration drilling) has commenced. The objective is to map target areas of reduced sands and identify key basin structures that may act as fluid pathways for migrating uranium-bearing fluids.

Subsequently, at **Lake Blanche** reconnaissance rotary-mud drilling and wireline logging is planned to commence within the 1st quarter of 2008, pending heritage clearances with Native Title Claimants. Drilling will initially be targeted to identify areas of oxidation and reduction in prospective host sands.

Simpson overlies a combination of Aboriginal Freehold (6 tenements) and Native Title Claimed Land (14 tenements). Meetings with the Aboriginal Traditional Owners have been scheduled to progress these tenements to grant of title; the remaining tenements will be accessible for drilling in 2008 subject to completing an exploration access agreement which is currently being negotiated. Drilling will also be initially targeted to identify areas of oxidation and reduction in prospective host sands.

In commenting on this initiative, David Brunt, Executive Director said:

"This is a very large land position with a very big prize if exploration is successful. Since exploration for roll-front uranium deposits in Australia commenced in the late 1960s, I have not previously seen such an application to test exploration concepts for Kazakhstan style uranium deposits in Australia; a concept which has also been endorsed by leading Government geologists. The project is tailor-made to the specific, in-house, 'roll front' uranium exploration and mining skills of Uranium Equities.

We are excited about the prospectivity and look forward to an active field program as soon as titles are granted."

Details of company activities are located on our website www.uel.com.au.



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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 full-time employee 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.