URANIUM
EQUITIES

A Near Term Production Focus

ANNUAL REPORT
2009

Corporate Directory

Uranium Equities Limited

ABN 74 009 799 553

Directors

A W Kiernan - Chairman
B L Jones - Managing Director
T M Clifton - Non-executive Director
M S Chalmers - Non-executive Director
D A Brunt – Non-executive Director
T R B Goyder - Non-executive Director

Company Secretary

R A Heinrich

Principal Place of Business & Registered Office

Head & Registered Office:
Level 6 West, 50 Grenfell Street
ADELAIDE SA 5000
Tel: (08) 8110 0700
Fax: (08) 8110 0777
Web: www.uel.com.au
Email: info@uel.com.au

Perth Office:
Level 2, 1292 Hay Street
WEST PERTH WA 6005
Tel: (08) 9322 3990
Fax: (08) 9322 5800

Auditors

KPMG
151 Pirie Street
Adelaide SA 5000

Share Registry

Computershare Investor Services Pty Limited
Level 2 Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000
Tel: 1300 557 010

Home Exchange

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

ASX Code

Share Code: UEQ

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Dear Shareholder,

I am pleased to report that Uranium Equities Limited has made substantial progress in the development of its key assets, the PhosEnergy Process and the Nabarlek Project, during the course of the year notwithstanding challenging economic times globally.

In the face of these financial uncertainties, the Company moved rapidly to rationalise expenditure on a number of projects, reduce overheads and focus expenditure on those activities identified as core.

We achieved our objective and at the same time completed the successful operation of the PhosEnergy Pilot Plant in Florida.

Following the conclusion of this Pilot Plant test work, the PhosEnergy Process is now ready for commercialisation as a pre-development opportunity. Ongoing testwork and refinement to tailor the PhosEnergy Process to specific deposits or phosphate streams is still required and to this end the Company has set about engaging several world-class phosphate producers.

The Company's success over the next 12 to 24 months in concluding negotiations with these producers and adapting the process to be applicable to world-wide phosphate production will establish Uranium Equities Limited as a near term uranium producer.

In exploration, our focus is firmly upon near mine, low risk opportunities. Our primary emphasis is in the world class Alligator Rivers Uranium Field in the Northern Territory, and more recently this has been expanded to the Rudall River Project on tenements adjoining and adjacent to the Kintyre Uranium Deposit in Western Australia.

The Nabarlek Mineral Lease in the Alligator Rivers Uranium Field continues to be the immediate focus. A number of promising near mine targets have been identified including possible structural repetitions and faulted offsets of the original Nabarlek deposit. Drilling of these unexplored targets which lie beneath soil and laterite cover will be undertaken in the 2009 field season.

During the 2008 field season (FY09), drilling, in joint venture with Cameco Australia Pty Ltd on the tenements surrounding the Nabarlek Mineral Lease, returned promising results.

A systematic approach to exploration returned significant ore grade intercepts at the N147 Prospect increasing confidence in the continuity of the significant body of uranium mineralisation now defined. Further drilling of the mineralisation will be undertaken to test the strike extensions in both directions.

The combined Nabarlek Mineral Lease and surrounding joint venture tenements provide the Company with an outstanding and rare exploration opportunity in one of the world's major uranium fields.

From a uranium industry perspective, despite the global financial turmoil, the strong fundamentals appear to have remained in place as support for nuclear power continues to grow worldwide.

Demand for new, low cost uranium production continues to increase as identified new mine production in the short and medium term is restricted.

Subsequent to year's end, Mark Chalmers resigned as Managing Director but remains on the Board and Managing Director of the Company's subsidiary PhosEnergy Inc. I would like to record our appreciation for Mark's contribution over the last three years or so and also that of David Brunt who stepped down as Executive Director during the year but remains on the Board.

In September the Board was pleased to appoint Bryn Jones as Managing Director. Bryn has been with the Company for three years and was instrumental in the development of the PhosEnergy Process.

I would like to express my appreciation to the staff and my fellow directors for their continual diligence in supporting the work of the Company in what has been a challenging but rewarding year.

In closing, to our shareholders, thank you; the Board of Directors is grateful for the support and encouragement that you continue to provide.

Regards,

Tony Kiernan
Chairman

During the first six months of the Financial Year, as the world rapidly entered a financial crisis, the Company moved quickly to reduce overhead expenditure and direct a reduced exploration and evaluation budget towards those projects that provided the fastest possible path towards production. At the same time the Company withdrew from projects that did not meet its revised investment criteria.

The Company ended the year in a strong, debt free financial position with **$8.8m in cash** reserves of which $1.8m is restricted by a performance bond against the Nabarlek Mineral Lease rehabilitation obligations. Coupled with third party joint venture funding this position provides Uranium Equities with flexibility in capital management strategies going forward.

In order to maintain exploration and evaluation expenditure across our project portfolio at levels which the calibre of the projects deserved, the Company embarked upon a strategy to secure third party funding through joint venture arrangements.

Uranium Equities Limited now has joint venture partners in three of its projects and negotiations are at an advanced stage on another. The projects are attracting attention from major participants in the uranium industry because of the promising potential and the scale of the opportunity they provide.

The engagement of joint venture partners on these projects allows the Company to prudently manage its cash reserves and risk in uncertain financial times.

Although the Company's interest in its projects is reduced by the introduction of joint venture parties, exploration expenditure and activity levels are able to be increased thereby improving the chance of an early discovery. The size and the potential reward provided by the Company's projects ensure substantial returns for shareholders in the event of success.

The Company's efforts towards achieving its objective of securing near term production have been intensified.

Our **key projects** for the coming year are:

PhosEnergy Process: provides a unique opportunity to participate in the re-establishment of uranium production from phosphates as a major uranium production source on a world wide scale.

PhosEnergy provides multiple concurrent opportunities to achieve our early production objective. Every year more than 20 Mlbs of uranium (15 – 18% of current world U_3O_8 production) is contained in phosphate ore mined for the production of phosphate based fertilisers. This uranium remains unrecovered.

The Company is engaged in discussion with major phosphate producers with a view to securing a place for the **PhosEnergy Process** at their operations.

In this quest, we believe there is no effective competition. The historical process has high operating costs (US$50-70/lb) compared to our forecast US$25-30/lb for the **PhosEnergy Process** and also has 50% higher capital costs.

PhosEnergy provides Uranium Equities with ground floor opportunities into major phosphate deposits which are capable of producing uranium at the lower end of the cost curve.

Development of the **PhosEnergy Process** will be a major focus of the Company's activities over the coming year. Towards this end a number of management changes have been effected, following the close of the financial year, to better apply the Company's technical, financial and corporate skills towards achieving this initiative.

"A rare brownfields exploration opportunity ..."

Nabarlek Project: provides the Company with a rare brownfields exploration opportunity in and around the historic Nabarlek Uranium Deposit, Australia's highest grade orebody (24 Mlbs @ 1.84% U_3O_8). Exploration for faulted offsets and structural repetitions in undrilled positions in close proximity to the orebody provide low risk high reward targets, with potential to deliver early discovery.

The Nabarlek deposit lies within a uranium mineral system, defined by widespread anomalous uranium in aircore and RC geochemical drilling and ore grade intercepts at a number of locations. The mineral system, as currently defined, extends over more than 50 km^2 and is covered beyond the Mineral Lease, by exploration licenses held in joint venture with Cameco Australia Pty Ltd.

During the 2008 field season, drilling by the joint venture at the N147 Prospect improved continuity of, and established the presence of, a significant body of uranium mineralisation at this location. The controls on mineralisation are complex and are not fully understood as a consequence further drilling is required and will be undertaken to evaluate the full potential of this discovery.

Aircore and RC geochemical drilling by the joint venture defined anomalous uranium in bedrock at several locations over a broad area. The anomalies and their widespread distribution point to the strength of the uranium mineral system and its potential for significant discovery. Ongoing evaluation of the bedrock anomalies will be undertaken in conjunction with further geochemical drilling in areas concealed beneath shallow cover sequences that have received little effective historical exploration.

The Company's management, technical skills and financial resources will be focused towards advancing both the **PhosEnergy** and **Nabarlek Projects** in the coming year.

Uranium Equities Limited recognises that its activities must be conducted in a manner so as to meet the principles of sustainable development. The Company strives to conduct its operations so that the social, environmental and economic impacts are balanced. Uranium Equities Limited operates under the principle of working towards and maintaining a social licence to operate.

Towards this end Uranium Equities Limited accelerated activities towards rectifying the legacy rehabilitation issues on the Nabarlek Mineral Lease with the objective of meeting the final closure criteria agreed with stakeholders.

A successful rehabilitation program was carried out during the year focused on surveying the Nabarlek area to establish a baseline position followed by a significant weed management and revegetation program.

The Company plans to rehabilitate the old Nabarlek camp site and associated contaminated areas over the next year as agreed with traditional owners. Indigenous workers and contractors have and will continue to be employed on this key project.

KEY PROJECTS

Uranium Equities 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 includes the key **Nabarlek Project.**

PROCESS DEVELOPMENT

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 fertilizers.

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 fertilizer producers are located in Northern Africa, North America and Asia (Figure 1).

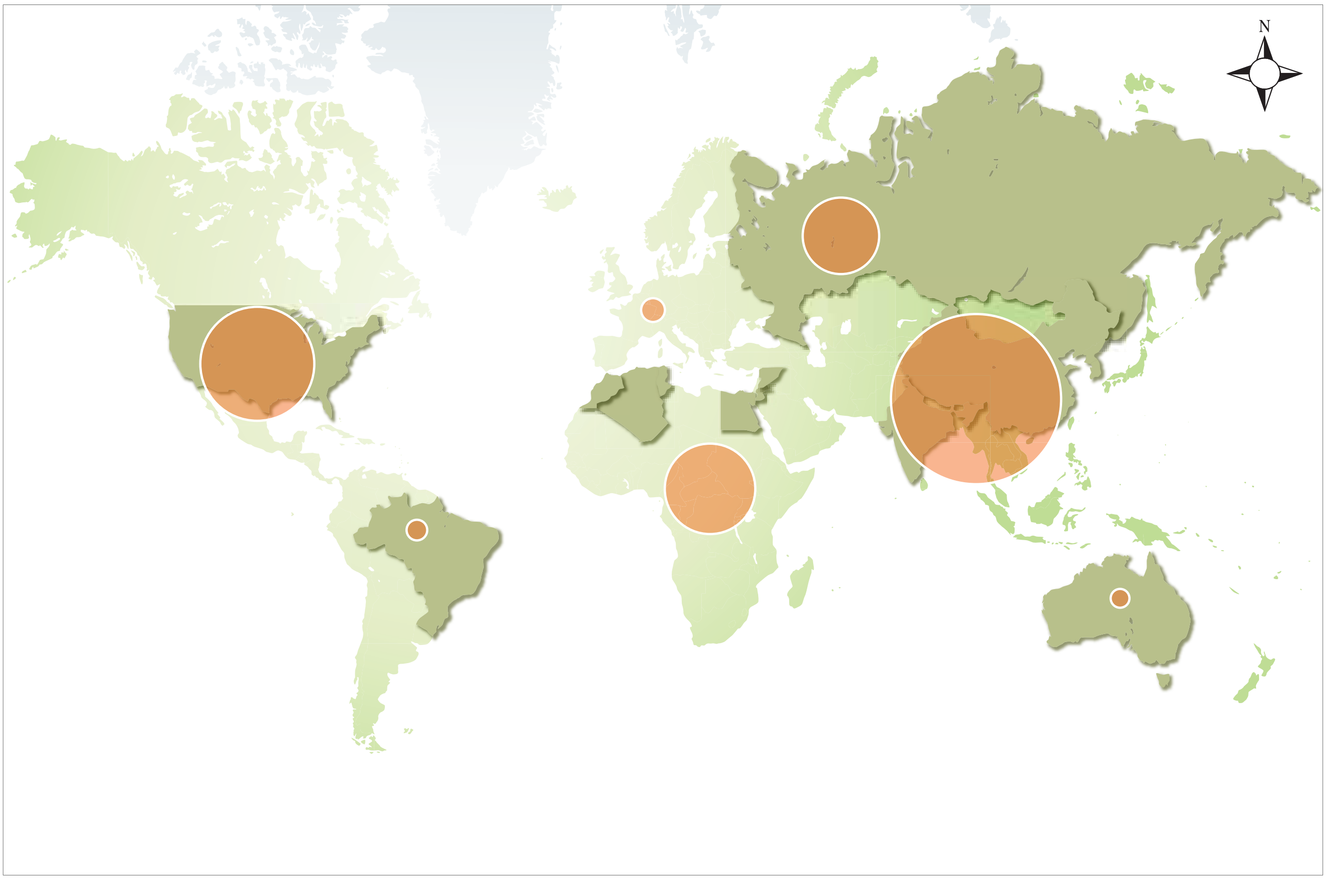


Figure 1
Worldwide Phosphate Processing

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.

EXPLORATION

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.

Uranium Equities through USA registered Urtek LLC ("Urtek") is undertaking the development of new technology for the extraction of uranium from phosphoric acid streams produced in the production of phosphate based fertilizers ("the **PhosEnergy Process**"). The Company currently holds 43% of the issued capital in Urtek and through ongoing process development expenditure has the right to acquire up to 90% of Urtek's issued capital.

Non-provisional patent applications have been filed in the USA, Jordan and the Patent Cooperation Treaty (PCT) signatory countries as of 31 July 2009. An additional provisional patent application for a process complimentary to the **PhosEnergy Process** has been filed in Australia.

Rapid development of the technology continues to be a major priority for Uranium Equities Limited.

The **PhosEnergy Process** holds the potential to substantially reduce the capital and operating costs of the extraction of by-product uranium from phosphate streams when compared to existing technologies. The **PhosEnergy Process** also improves the operability of the extraction process and reduces the production of radioactive process wastes when compared to the extraction processes historically applied.

THE PHOSENERGY OPPORTUNITY

Worldwide over 100 Mt of phosphate rock is processed into phosphoric acid annually in the production of phosphate fertilizers. It is estimated that in the order of 20 Mlbs of recoverable uranium, approximately US$1 billion in potential revenue, is contained in these streams. This uranium is currently not being recovered, leaving a large dormant resource waiting to be exploited.

Historically, production from phosphoric acid peaked at over 5 Mlbs U_3O_8 per annum during 1978 – 1983. All worldwide uranium production from these sources ceased in the late 1990s as a consequence of high operating costs and falling (low) uranium prices.

The operating cost of the historic process if revived in today's economic climate is estimated to be US$50-70/lb U_3O_8 which is above current spot prices and at the levels of long term industry uranium price forecasts.

Development of the **PhosEnergy Process** has progressed past pilot plant scale at a significant USA based phosphoric acid facility with positive results. Operating cost estimates based on the pilot plant operation results indicate that, with contingency[1], the **PhosEnergy Process** is capable of producing uranium at operating costs in the order of US$25-$30/lb with over 90% uranium recovery.

This cost structure places the **PhosEnergy Process** in the bottom half of the cost curve for all uranium production worldwide and in the first quartile of operating cost estimates for 'new' uranium production coming online over the next 5 years. These costs are half the predicted operating costs associated with technologies used during the 1970's and 1980's in the production of uranium from phosphoric acid streams.

The **PhosEnergy Process**, based on results achieved to date, will be capable of exceeding the stringent environmental standards currently applied to both the broader uranium extraction industries and the phosphoric acid industry.

The estimated low operating costs indicate commercially robust production is achievable via the **PhosEnergy Process** in volatile market conditions. These estimated production costs will place the **PhosEnergy Process** in the lowest quartile of 'new' uranium production.

Based upon the results achieved to date, the application of the **PhosEnergy Process** provides the potential for Uranium Equities Limited to secure a significant position in the future production of uranium from phosphate ores on a worldwide basis.

[1] Operating cost contingency of 35% has been used. Cost estimates were for production in central Florida, USA.

NABARLEK PROJECT

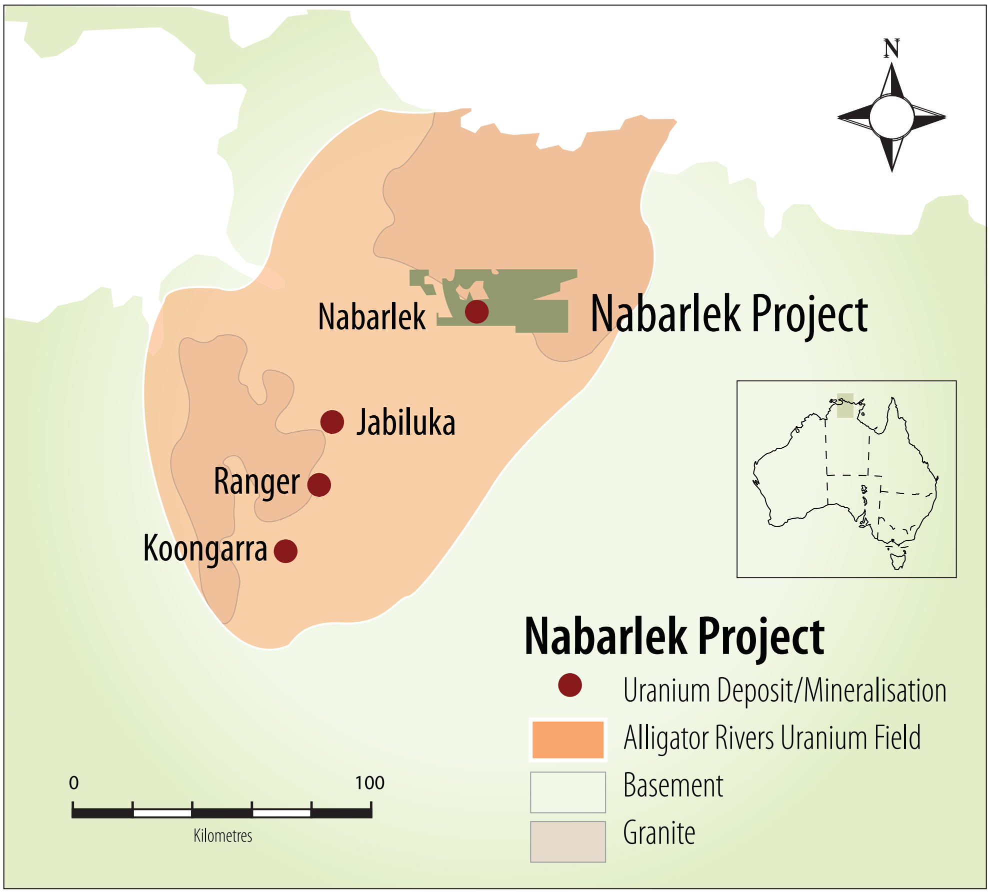
The **Nabarlek Project** comprises the 100% Uranium Equities held Nabarlek Mineral Lease (MLN 962) which contains the historic Nabarlek Mine and the surrounding exploration licences held in joint venture with Cameco Australia Limited (UEQ 40%, Cameco 60%).

The tenements are contiguous and together cover more than 520km^2 in the heart of the Alligator Rivers Uranium Field, Northern Territory (Figure 2).

The Alligator Rivers Uranium Field is a world class uranium province which is analogous to the Athabasca Uranium Province, Canada in terms of uranium endowment. In contrast to the Athabasca, the Alligator Rivers Uranium Field is in the early phase of its exploration history, having received less than 1/10th of the exploration expenditure of its Canadian counterpart.

The Alligator Rivers Uranium Field is host to the major operating Ranger Uranium Mine and the large Koongarra, Jabiluka and Nabarlek deposits (Figure 2). The Field's mineral endowment, including mined resources, exceeds 950 Mlbs U_3O_8.

Figure 2
"Alligator Rivers... a world class uranium province"



The uranium mineralisation in the main mineralised centres in the Alligator Rivers Uranium Field, as evidenced in the Ranger-Jabiluka area, occurs as clusters of structurally controlled deposits over strike distances of 2 – 6 kilometres.

The Alligator Rivers Uranium Field is one of the most prospective terrains in which to find high grade, world class uranium deposits in Australia.

NABARLEK MINERAL LEASE
– "Exploration in the shadow of the headframe"

The Nabarlek uranium deposit was discovered in 1970 by Queensland Mines Pty Ltd. Ore was mined and processed in the period from 1979 – 1988 (production 24 Mlbs @ 1.84% U_3O_8).

The last major phase of exploration carried out by Queensland Mines Pty Ltd was completed in 1984. By modern standards the Mineral Lease remains underexplored.

Uranium Equities Limited acquired Queensland Mines Pty Ltd in 2008 and undertook a restricted program of aircore and RC drilling on the Mineral Lease towards the close of the field season. Activities were conducted under an interim land access arrangement. Significant, ore grade uranium mineralisation was encountered in drilling 250 metres south of the historic pit (17 metres @ 0.086% U_3O_8 including 8 metres @ 0.16% U_3O_8 from 68 metres) along the southerly projection of the Nabarlek Shear. It remains untested 80 metres to the north and south along the structure.

The Company is now operating under an approved Mine Management Plan and access authorisations under the terms of an exploration agreement negotiated with the Traditional Owners. Although the site has been substantially rehabilitated, a bond has been established with the Northern Territory Government totalling $1.8m to cover legacy rehabilitation issues. A program of rehabilitation has been initiated and progressively the bond will be reduced until regulatory release is achieved.

EXPLORATION POTENTIAL

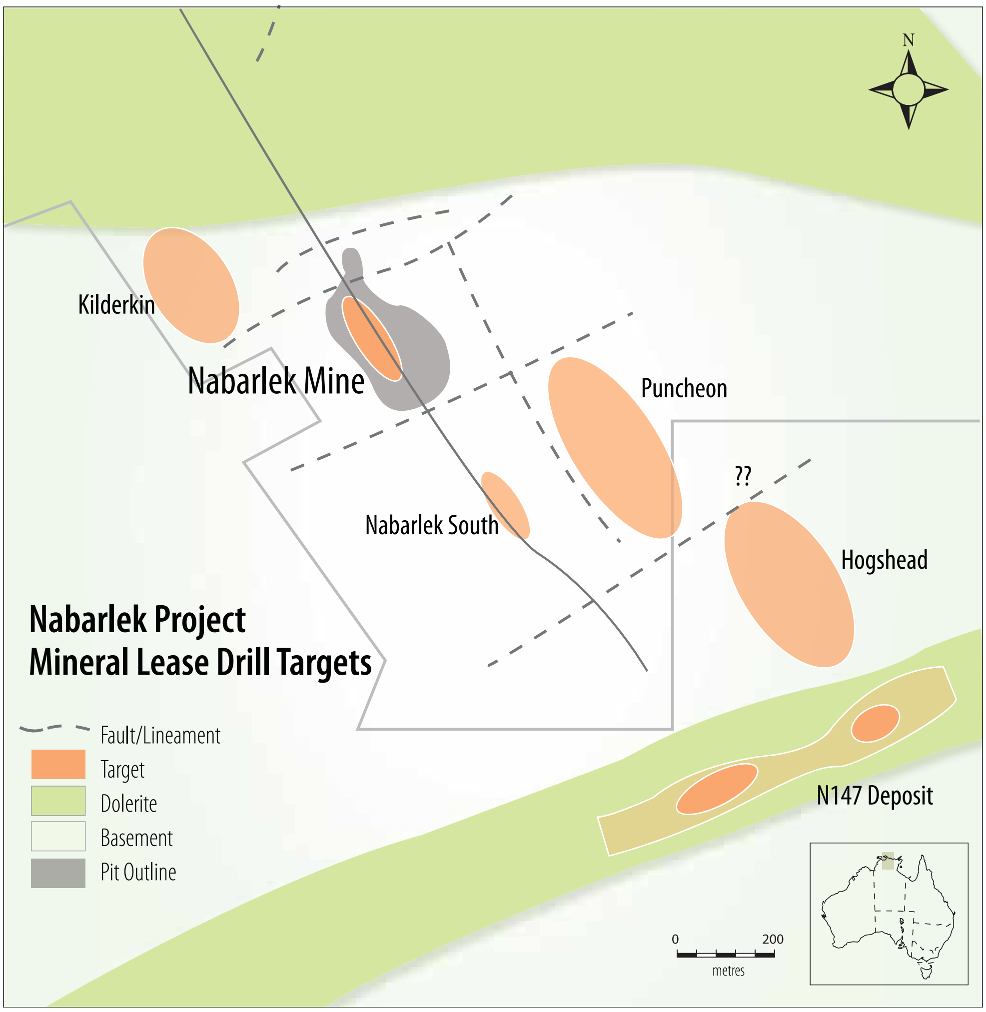
Regionally the Nabarlek deposit lies within a northwest trending structural corridor, a complex array of faulting, shearing and low angle thrusts, which extends over several kilometres across the Mineral Lease and the surrounding Cameco-Uranium Equities Limited West Arnhem Land Joint Venture tenement.

Within the structural corridor, historical and recent drilling has identified numerous uranium geochemical anomalies and returned ore grade intercepts. Extensive areas within the corridor and on the Mineral Lease lie essentially untested beneath shallow soil and overlying formation cover.

The Nabarlek Uranium deposit was a high grade orebody up to 300 metres in strike length with a thickness to 15 metres developed within a shallow dipping thrust zone ("Nabarlek Shear") in metamorphic schists.

In the immediate area of the mine the Nabarlek orebody is terminated on its northern boundary by an easterly trending cross fault which was identified in early geological mapping. The southern margin of the orebody, concealed under soil cover, is interpreted from drilling and geological observations to also have a faulted termination. The potential offset positions of the orebody created by the fault terminations both to the north and south of the deposit lie beneath soil and laterite cover, and remain essentially untested by historical drilling (Figure 3).

Figure 3
"...potential offset positions of the orebody..."



Drilling is proposed in the 2009 field season.

WEST ARNHEM LAND JOINT VENTURE

The West Arnhem Land Joint Venture was formed in 2007 to explore the Exploration Licences surrounding Nabarlek Mineral Lease.

Cameco Australia Pty Ltd and Uranium Equities are parties to the joint venture, holding 60% and 40% joint venture interests respectively.

Historical uranium exploration within the joint venture area resulted in the discovery of a number of separate prospects on the basis of airborne radiometric anomalism. Drilling was undertaken at 6 prospects with anomalous, and in some cases, significant uranium mineralisation being intersected (N147, SMLB Prospects). Systematic drilling remains to be carried out on all of the prospects.

During the 2008 field season RC drilling was undertaken at the **N147 Prospect** which lies within the Nabarlek structural corridor on the southern boundary of the Mineral Lease.

The **N147 Prospect** had been the subject of historical drilling with discontinuous ore grade mineralisation being intersected.

Drilling by the joint venture in 2008 improved continuity and established the presence of a significant body of mineralisation. Intercepts achieved included:

21.0m @ 0.374% U_3O_8
36.2m @ 0.172% eU_3O_8[2]
14.5m @ 0.224% eU_3O_8[2]
23.4m @ 0.138% eU_3O_8[2]

High grade mineralisation is defined over a strike of approximately 200 metres with lower grade "halo" mineralisation extending over more than 500 metres (Figure 4).

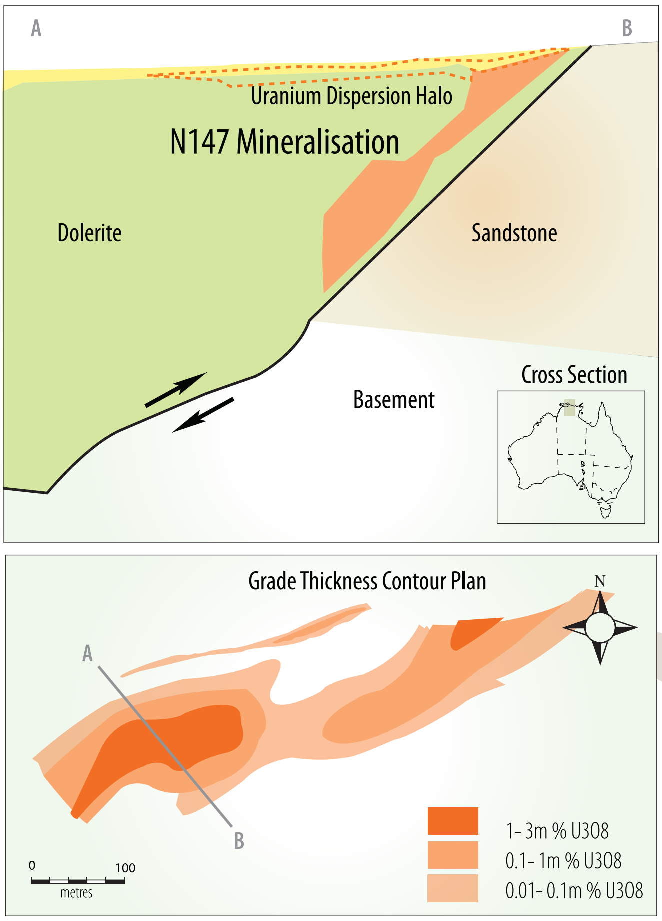


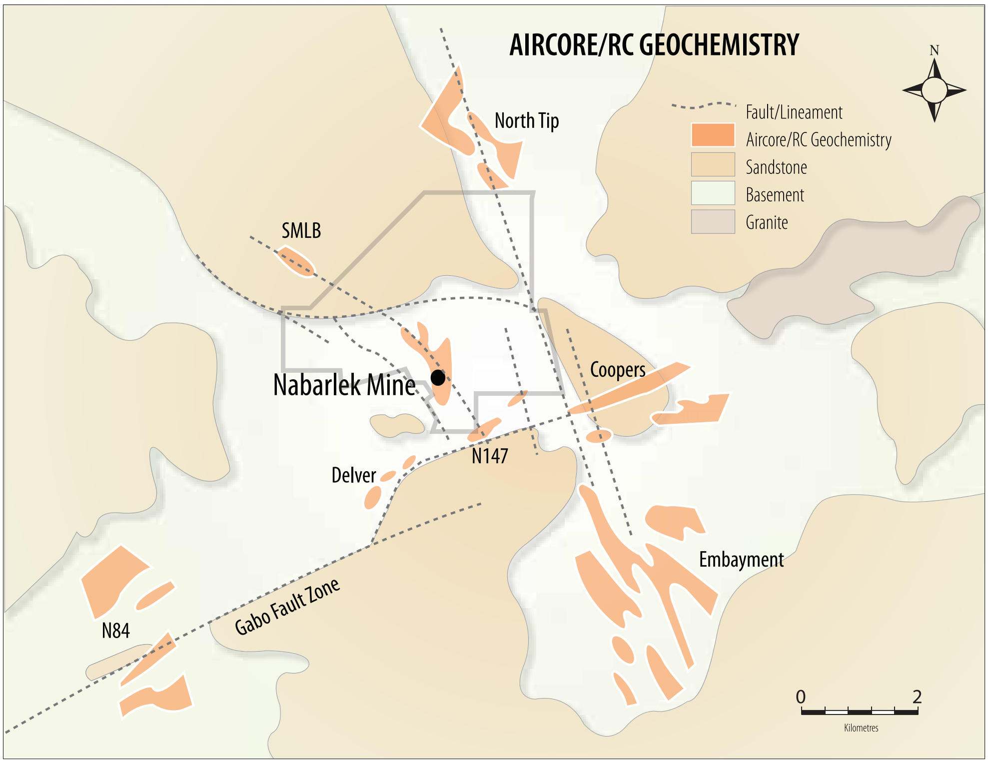
Figure 4
Uranium dispersion halo from the N147 Prospect

The controls on mineralisation are complex and further drilling is required to resolve this issue and evaluate the full potential of the discovery.

[2] Refer ASX announcement dated 27 November 2008 "Nabarlek-West Arnhem Project Update".

In 2008, systematic geochemical drilling to penetrate cover sequences was undertaken in areas south, southeast and north of the Nabarlek Mineral Lease. The aim of this drilling program was to locate signature geochemical "halos" similar to those identified in weathered rock above the N147 mineralisation (Figure 4). Significant uranium anomalism (30 – 436 ppm U_3O_8) has been identified in a number of areas (Figure 5).

Figure 5
Widespread anomalous aircore / RC geochemistry



The presence of widespread anomalous uranium points to the strength and extent of the uranium mineral system in this area.

Extensive areas of the mineral system, lying beneath soil and rock cover remain untested by historical exploration. These areas and recently defined uranium geochemical anomalism will be the subject of ongoing evaluation.

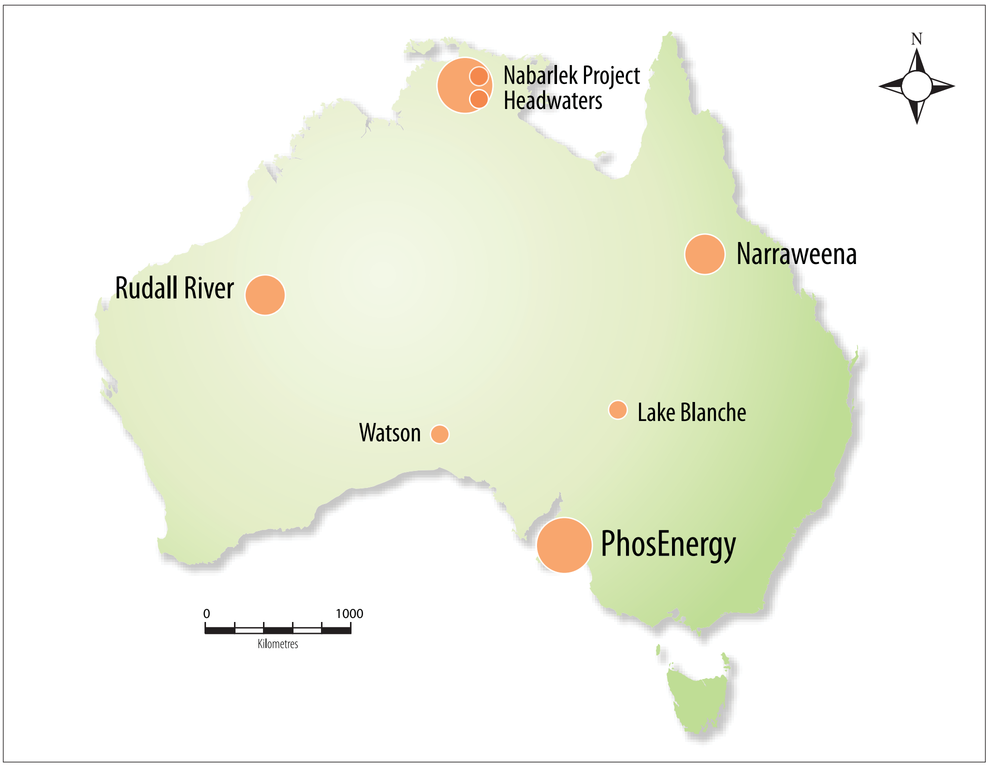


Figure 6
Core exploration and development assets

"BROWNFIELDS OPPORTUNITIES"

- near deposit exploration opportunities in large mineral systems.

Rudall River

Uranium Equities Limited has a 60:40 joint venture with Cameco Australia Pty Ltd over Exploration Licences (172km^2) which adjoin the Kintyre Uranium Deposit in the East Pilbara, Western Australia. The Kintyre deposit, owned by Cameco and Mitsubishi, from published reports may contain 62 – 80 Mlbs U_3O_8 with an average grade between 0.3 – 0.4% U_3O_8.

The Rudall River Joint Venture tenements cover historic uranium prospects and analogous geological and structural settings to those seen at Kintyre. TEMPEST electromagnetic targets have recently been identified and remain to be systematically tested.

Narraweena

Uranium Equities Limited holds (100%) an exploration licence (315km^2) covering the extensions to the structure and host rocks to the Ben Lomond Uranium Deposit owned by Mega Uranium. Published reports indicate that the Ben Lomond deposit may contain up to 10.7 Mlbs @ 0.25% U_3O_8.

"GREENFIELDS OPPORTUNITIES"

– third party funded exploration for world-class deposits in new terrain.

Headwaters

Uranium Equities Limited has a joint venture with Vale Exploration Pty Ltd, a wholly owned subsidiary of Companion Vale do Rio Doce ("Vale") whereby Vale can earn up to 80% equity in the project area covering 5,351.7km^2 in the Alligator Rivers Uranium Field, Northern Territory by sole funding exploration to the completion of a bankable feasibility study.

The tenements cover sequences of sandstone and volcanics overlying strongly deformed basement rocks which are host to major uranium deposits elsewhere in the Alligator Rivers Region.

Previous exploration in the period 1996 – 2000 identified significant uranium (up to 1.56% U_3O_8) gold (up to 236g/t Au) and platinum group (up to 57.6g/t Pd+Pt) mineralisation in outcrop.

A review of the radiometric data from this southern parts of the project area has revealed a number of untested airborne radiometric uranium anomalies within the current Uranium Equities tenement package associated with significant regional structures. The only reported exploration in the immediate region of these prospects focused on the gold, base metal and diamond potential of the broader area surrounding the uranium anomalies.

Land access negotiations with the traditional owners are being progressed. Approval for grant of the first exploration licence has been finalised with remaining approvals expected in late 2009. On ground exploration will commence once the licences are granted.

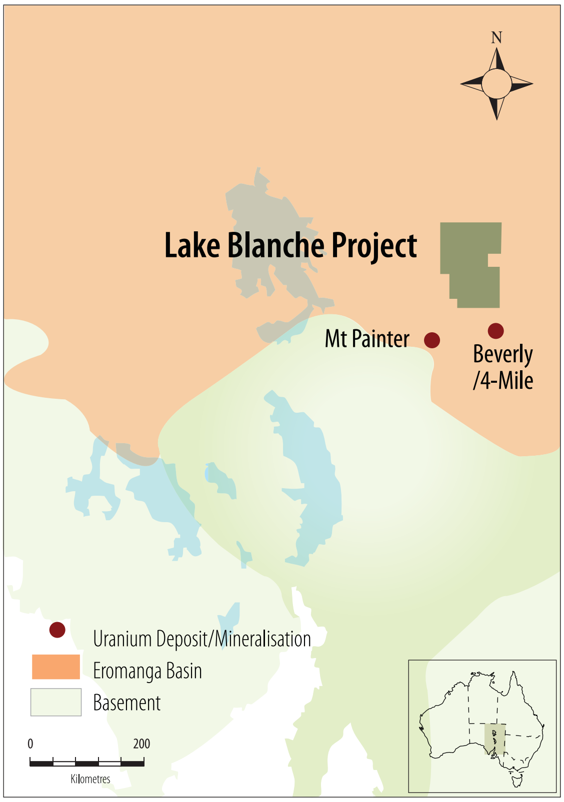
Lake Blanche

Uranium Equities manages the Lake Blanche project in Joint Venture with Cameco Australia Pty Ltd ("Cameco"). Under the terms of the Joint Venture Agreement, Cameco can earn 51% interest through exploration expenditure of $3,500,000 over 4 years. A further 9% interest can be earned through additional expenditure of $1,000,000.

The Lake Blanche Project targets sandstone-hosted, "roll-front" uranium located within the Eromanga Basin, 80 to 190 km northeast of the highly uraniferous Proterozoic Basement rocks (Mt Painter Block), in South Australia.

The tenement package comprises 7 Exploration Licences totalling 6,074 km² which straddle the Strzelecki Track, a major access route. The project lies 80 km north of the Beverley and Four Mile Uranium Deposits (Figure 7).

Figure 7



The project geology comprises Tertiary and Mesozoic basin sediments prospective for sedimentary uranium deposits similar to those found in the world-class uranium producing sedimentary basins in Kazakhstan.

A reconnaissance rotary-mud, wireline logging, drilling program along the Strzelecki Track was completed on 7 July 2009. Eight holes for 2,678m were completed to test the margin of the underlying Eromanga Basin and in particular to identify favourable alteration and anomalous radioactivity within the target Tertiary and Mesozoic sand sequences which may host roll-front uranium mineralisation.

Anomalous gamma counts (200cps) were returned in sands within the Eyre Formation which forms the host to the Honeymoon Uranium Deposit. The results have raised the prospectivity of the Tertiary sequences in this area.

"GREENFIELDS OPPORTUNITIES" - CONTINUED

Watson

Uranium Equities Limited holds a 51% interest in 3 Exploration Licences situated in the West Gawler Craton, in Joint Venture with Intermet Resources Limited. The project lies approximately 200km northwest of Ceduna in the far west of South Australia. The target for exploration is Beverley Four Mile style, sandstone-hosted, roll-front, uranium mineralisation.

A large basal Tertiary palaeochannel system is present beneath Nullarbor Limestone in this region of the eastern Eucla Basin. Uraniferous source rocks within the Gawler Craton are present to the north and east. An airborne TEMPEST EM survey has successfully delineated the detail of this Tertiary palaeochannel system throughout the entire project area.

Exploratory water drilling by nearby tenement holder, Iluka Resources, in 2006 reported anomalous uranium within drillhole samples (up to 70ppm U_3O_8) and within groundwater (up to 602ppb U_3O_8). These values are interpreted to be indicative of a mineralised system.

Preliminary reconnaissance drilling was completed by Uranium Equities Limited in 2008. Nine holes totalling 621m were completed as part of the reconnaissance drilling program.

Results confirmed the validity of the exploration model, with significant uranium and gamma anomalism encountered in 4 holes related to thick sequences of both oxidized and reduced sands near the channel margin. The best intersection was 390 counts per second with equivalent grade at 100ppm eU_3O_8 over 1.8m. The presence of anomalous uranium within the channel confirms that the sedimentary sequence is uranium-bearing.

Additional drilling and wireline logging is planned to follow up the encouraging results and to evaluate the remainder of the large palaeochannel system.

Competent Persons Statement

The information in this report 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.

Sustainable Development

Uranium Equities activities are directed towards establishing reliable, economic uranium resources through activities conducted through its technology development and exploration business units. In conducting these activities the Company seeks to meet the principles of sustainable development.

The Company recognises that sustainable development requires social, environmental and economic impacts to be balanced in all its operations and it maintains a strong internal emphasis on monitoring social and environmental performance. To this end we have developed a sustainable development policy outlining the values and principles to which the Company seeks to adhere. These principles include:

"Developing partnerships that enhance the social and economic development of local communities;" and to "Preserve the future land use of all our sites through biodiversity management and rehabilitation of all land disturbed in its exploration and development activities..."

In these early stages of Uranium Equities' development the Company's commitment to sustainable development is focused on:

- Safe, efficient project activities;
- Sound Environmental Management;
- Open and consultative Community Relations activities;
- Support of Uranium Industry groups in establishing Uranium as a sustainable energy solution; and
- Appropriate returns on investment.

Safety

Uranium Equities places the safety of its employees and all persons interacting with their sites as their main priority. This commitment is reflected in our occupational health and safety policy implemented within risk and safety management plans covering all operational activities.

Environmental Management

Uranium Equities has the objective of maintaining Leading Practice environmental management at all of its operations and have committed resources towards achieving this objective.

During the year the Company commenced rehabilitation of legacy areas of the Nabarlek Mineral Lease (MLN962) which the Company acquired in June 2008. The rehabilitation activities at Nabarlek were concentrated on three main aspects:

Figure 8
Revegetation at the Nabarlek Mineral Lease

Weed management and revegetation:

During the 2008 dry season local indigenous workers undertook a grid survey over the entire disturbed site to accurately determine weed types and distribution to provide resource planning input for subsequent work.

The management of the mapped weeds was focused on reducing the weed seed bank available for subsequent growing periods through a combination of chemical control and wet season burning. The first year in a five year weed management program was successful with three germination cycles effectively prevented from seeding.

Revegetation of selected areas of the MLN was carried out through the year with approximately 1500 seedlings planted (Figure 8).

Infrastructure removal:

Two water management ponds from the original rehabilitation works have developed into a water source for weeds. During the year one of the ponds was re-contoured and seeded with native grasses and a contaminated site survey performed on the second pond. Results of this survey showed the location to be free from contamination and the pond has been scheduled for re-contouring works.

Environmental monitoring:

Uranium Equities has implemented an environmental monitoring program to monitor and assess the success of legacy site rehabilitation.

A monitoring programme involving vegetation regrowth statistics was agreed with key stakeholders, implemented and reported on during the year.

Ground and surface water monitoring was re-initiated on the site, with the first wet season surface water samples being taken for a number of years. The results of this surface water monitoring have given stakeholders confidence that local creek systems remain free from any mine site originated contaminates.

The ground water monitoring results have shown some anomalous sulphate and uranium concentrations in monitoring bores near to the old pit tailings. An independent hydro-geological consultant has reviewed all the groundwater data available from the site and concluded that there does not appear to be a plume of acid mine discharge coming from the old pit, rather a small slug of water may be moving very slowly through the fractured rock system. The system will continue to be closely monitored and results reported to stakeholders when available.

Community Relations

Uranium Equities strives to make community and stakeholder engagement an integral aspect of its business whether inside Australia or in its worldwide development of the **PhosEnergy Process**. At the core of the Company's community relations activities is the belief that open and effective communication with stakeholders set the basis for a good business relationship.

Having assumed the environmental responsibility for the Nabarlek Mineral Lease, Uranium Equities has engaged local stakeholders in the planning of rehabilitation and exploration work on the MLN. The Company has successfully obtained agreement from key stakeholders on the closure criteria for the site.

There are several regulatory bodies and community groups with stakeholder interest in the MLN, these include but are not limited to:

- Northern Land Council (NLC)
- Department of Regional Development, Primary Industries, Fisheries and Resources, NT (DRDPIFR)
- WorkSafe NT
- Supervising Scientist Division (SSD)
- Environmental Research Institute of the Supervising Scientist (ERISS)

Regular and open communications with these and other key stakeholders are in place where plans for exploration and rehabilitation work are tabled and discussed. The Company's recent commitment to invest in additional rehabilitation work on the historic Nabarlek camp site was borne out of these discussions with community stakeholders and has demonstrated the Company's commitment to the Nabarlek Mineral Lease and the Alligator Rivers Region.

Uranium Equities is committed to indigenous employment with three local Oenpelli residents being employed on site during the year, two from the Nabarlek traditional owners group. In addition, the Company engaged a local indigenous business on 12 month contract to undertake weed management works, assist with site wide fire management and provide and plant out locally grown seedlings. This contractor also provided a significant amount of advice on the implementation of our revegetation programs. This local knowledge greatly assisted with the programs' success.

Tenement Schedule

STATE	PROJECT	TENEMENT	STATUS	CURRENT EQUITY
SA	Watson	EL3323	Granted	51%
		EL3313	Granted	51%
		EL3800	Granted	51%
	Lake Blanche	EL4005	Granted	100%
		EL4006	Granted	100%
		EL4007	Granted	100%
		EL4008	Granted	100%
		EL4009	Granted	100%
		EL4010	Granted	100%
		EL4011	Granted	100%
WA	Rudall River	E45/3118	Application	100%
		E45/3119	Application	100%
		E45/3126	Application	100%
	Headwaters	EL24711	Application	100%
		EL24712	Application	100%
		EL24713	Application	100%
		EL25220	Granted	100%
		ELA27153	Application	100%
		ELA27513	Application	100%
		ELA27514	Application	100%
		ELA27515	Application	100%
NT	Nabarlek	EL10176	Granted	40%
		EL24371	Granted	40%
		EL23700	Granted	40%
		MLN962	Granted	100%
QLD	Narraweena	EPM15101	Granted	100%

FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2009

Financial Report

Contents

DIRECTORS' REPORT

The directors present their report together with the financial report of Uranium Equities Limited ('Uranium Equities' or 'the Company') and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2009 and the auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

NAME, QUALIFICATIONS AND INDEPENDENCE STATUS	EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS
A W KIERNAN LLB Non-executive Chairman (appointed as Chairman 2nd July, 2009)	Tony is a lawyer and general corporate advisor with extensive experience in the administration and operation of listed public companies. He is Chairman of BC Iron Limited and a Director of Liontown Resources Limited and Chalice Gold Mines Limited. Tony has been a Director since 2003 and is a member of the Company's Audit Committee. Tony was also a Director of North Queensland Metals Limited and Solbec Pharmaceuticals Limited (now named Freedomeye Limited) in the last three years.
T M CLIFTON BSc (Hons), B. Juris LLB, FAus IMM Managing Director (Non-executive Chairman until 2nd July, 2009 and Non-executive Director until 5th August, 2009)	Tim is a Geologist and qualified Lawyer with over 40 years experience in the Australian mining industry at both a technical and corporate level. He was co-founder of Perilya Limited, a significant base metal producer in Australia and is currently a Director of Strike Oil Limited. Tim has been a Director since 2006.
M S CHALMERS BSc, PE, SME Non-executive Director (Managing Director to 5th August, 2009)	Mark is a Mining Engineer who has extensive uranium development and mining experience in Australia and internationally. Until 2005 Mark was Senior Vice President of Heathgate Resources Pty Ltd and was responsible for the Beverley in-situ leach (ISL) uranium project, one of the largest producing ISL uranium mines in the world, in South Australia. He has been involved with over a dozen uranium projects during his 30 year career. Mark is the Chair of the Uranium Industry Framework (UIF) Implementation Group, an Australian Federal Government initiative. Mark has been a Director since 2006 and is a member of the Company's Audit Committee.
D A BRUNT FAusIMM, BSc Hons MBA Non-executive Director (Executive Director until 4th June, 2009)	David is a Geologist with over 30 years of Australian and international experience in the uranium industry. David was formerly Vice President of Exploration and Development of Heathgate Resources Pty Ltd. He was actively involved with the Beverley ISL uranium project from 1990 until 2006. David was also co-discoverer of the Honeymoon deposit and leader of the team that discovered the South Australian Beverley Four Mile and Beverley Deep South uranium deposits. David has been a Director since 2006.
T R B GOYDER Non-executive Director	Tim has over 30 years experience in the resource industry. He has been involved in the formation and management of a number of publicly-listed companies and is currently Chairman of Liontown Resources Limited and Executive Chairman of Chalice Gold Mines Limited. Tim has been a Director since 2002 and is a member of the Company's Audit Committee.
A R BANTOCK B.Com, ACA Non-executive Director (resigned 4 August 2008)	

DIRECTORS' REPORT

2. COMPANY SECRETARY

NAME, QUALIFICATIONS AND INDEPENDENCE STATUS	EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS
R K HACKER B.Com, ACA, ACIS (Appointed 1 August 2008)	Richard has significant professional and corporate experience in the resource and energy sectors in both Australia and the United Kingdom. He has worked in senior finance roles with global energy companies including Woodside Petroleum Limited and Centrica Plc. Prior to this, Richard worked with leading accounting practices. Richard is both a Chartered Accountant and a Chartered Secretary and is also Commercial Manager and Company Secretary of Chalice Gold Mines Limited and Liontown Resources Limited.
A M REYNOLDS B.Com, CFTP, SAFin (Resigned 1 August 2008)	

3. DIRECTORS' MEETINGS

The number of directors' meetings and the number of meetings attended by each of the directors of the Company during the financial year were:

DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	NUMBER OF MEETINGS HELD DURING THE TIME THE DIRECTOR HELD OFFICE DURING THE YEAR
A W Kiernan	8	8
T M Clifton	7	8
M S Chalmers	8	8
D A Brunt	8	8
T R B Goyder	8	8
A R Bantock	1	1

A number of matters were also approved by the unanimous written consent of the Directors.
Two meetings of the Audit Committee, of which Anthony Kiernan, Mark Chalmers and Tim Goyder are members, took place to approve financial statement releases.

4. PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were mineral exploration and evaluation.

DIRECTORS' REPORT

5. REVIEW AND RESULTS OF OPERATIONS

During and since the end of the financial year, Uranium Equities Limited:

- Advanced the development of technologies to extract uranium from phosphoric acid streams using the PhosEnergy Process (patent pending) including completion of a successful proof of concept pilot plant and lodgement of non-provisional patent applications in the US, Jordan and Patent Cooperation Treaty signatory countries;
- Secured conditional funding with a major uranium producer for up to US$17M for the ongoing development of the PhosEnergy Process. The agreement was conditional upon completion of successful negotiations with the major producer of phosphoric acid with which the process has been jointly developed. Following the year end the phosphoric acid producer advised that due to corporate priorities it wishes to cease the joint development of the technology. Uranium Equities is currently renegotiating the conditional funding agreement and is working with the funding partner on business development initiatives;
- Commenced drilling and geophysical surveys on initial exploration targets within the Nabarlek Mineral Lease with encouraging results.
- Intersected high uranium grades over significant widths in drilling at the N147 prospect and the SMLB prospect on the West Arnhem Joint Venture (40% UEQ) which is a joint venture with Cameco Australia Pty Ltd;
- Entered into a joint venture with Cameco Australia Pty Ltd to earn up to 60% equity in the Lake Blanche Project in South Australia by spending up to $4,500,000 on uranium exploration;
- Entered into a joint venture with Vale Exploration Pty Ltd, a wholly owned subsidiary of Companhia Vale do Rio Doce (Vale), for it to acquire up to 80% equity in Uranium Equities' Headwaters Project, West Arnhem Land, through sole funding exploration to completion of a Bankable Feasibility Study; and
- Successfully implemented strategies in response to the current financial crisis to substantially reduce expenditure in 2009 whilst at the same time maintaining, through third party funding, a high level of exploration and evaluation activity on the Company's key projects.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company other than those detailed in section 5 'Review and results of operations'.

7. REMUNERATION REPORT – AUDITED

This report outlines remuneration arrangements in place for directors and executives of Uranium Equities.

7.1 Principles of compensation – audited

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity and include directors and other executives.

The broad remuneration policy of the Company is to ensure that remuneration levels for executive directors, secretaries and other key management personnel are set at competitive levels to attract and retain appropriately qualified and experienced personnel. Remuneration packages include a combination of fixed remuneration and long term incentives.

Fixed compensation

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers the person's responsibilities, expertise, duties and personal performance.

Directors' Report

Long-term incentives

Options may be issued under the Employee and Consultants Option Plan to directors (subject to shareholder approval), employees and consultants of the Company and, subject to a residual discretion of the Directors, must be exercised within 3 months of termination. Right to exercise the options is usually based on the option holder remaining with the Company for a defined period of time. Other than the vesting period, typically there is no performance hurdle required to be achieved by the Company to enable the options to be exercised.

The Company, during the year ended 30 June 2006, issued partly paid performance shares to two of its then key executives, Mark Chalmers and David Brunt, as part of the acquisition of Uranium Equity Limited (now named Uranium Services Pty Ltd).

These performance shares were only capable of conversion to ordinary shares on achievement of performance hurdles dependent on the Company's Australian Stock Exchange ('ASX') share price and the employees' contracts being in full force and effect, thus aligning the interests of shareholders and management. The partly paid performance shares were issued at $0.15, credited as paid to $0.075 with $0.075 to pay on conversion to ordinary shares. All performance hurdles have been met in respect of these partly paid performance shares. Following Mark Chalmers resigning as Managing Director on 5th August 2009 the Company has advised all partly paid performance shareholders they have until 5th November 2009 (unless extended by mutual agreement) to pay the balance of $0.075 per share. As at the date of this report Calm Holdings Pty Ltd (As Trustee for the Clifton Super Fund), a company in which Tim Clifton has a relevant interest, had paid the balance to convert his 2,870,000 performance shares to ordinary shares.

Performance Related Compensation

The Company currently has no formal performance related remuneration policy which governs the payment of annual cash bonuses upon meeting pre-determined performance targets. However, the Board may consider performance related remuneration in the form of cash or share options when they consider these to be warranted.

Employment contracts

Mark Chalmers stepped down as Managing Director of the Consolidated Entity on 5th August, 2009. Mr Chalmers, who remains a non-executive director of the Company, has been appointed Managing Director of the Group's wholly-owned subsidiary PhosEnergy Inc under a consultancy agreement. An Employment Termination Payment of $162,500 was made to Mr Chalmers in August 2009.

Tim Clifton has taken on the group's Managing Director role in the interim whilst an executive search for a new permanent Managing Director continues.

Non-executive directors

The Board recognises the importance of attracting and retaining talented Non-executive Directors and aims to remunerate these directors in line with fees paid to directors of companies in the mining and exploration industry of a similar size and complexity.

Total fees for all non-executive directors, last voted upon by shareholders at the 2006 Annual General Meeting ('AGM') is not to exceed $200,000 per annum. Other than superannuation, Non-executive Directors are not provided with retirement benefits.

7.2 Directors' and executive officers' remuneration (Company and Consolidated)

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the named Company executives who receive the highest remuneration and other key management personnel are:

		SHORT-TERM PAYMENTS			POST-EMPLOYMENT PAYMENTS	TERMINATION BENEFITS	SHARE-BASED PAYMENTS			
CONSOLIDATED AND THE COMPANY KEY MANAGEMENT PERSONNEL		SALARY & FEES $	NON-MONETARY BENEFITS $	TOTAL $	SUPER-ANNUATION BENEFITS $		OPTIONS AND RIGHTS (A) $	PERFORMANCE SHARES (B) $	TOTAL $	VALUE OF OPTIONS AND PERFORMANCE SHARES AS PROPORTION OF REMUNERATION %
DIRECTORS										
A W Kiernan	2009	20,027	2,993	23,020	13,723	-	36,109	-	72,852	50%
	2008	12,000	2,777	14,777	13,000	-	32,039	-	59,816	54%
M S Chalmers	2009	270,343	3,312	273,655	50,491	-	-	298,718	622,864	48%
	2008	307,101	2,777	309,878	42,899	-	-	350,420	703,197	50%
D A Brunt	2009	166,224	3,313	169,537	95,000	-	-	298,718	563,255	53%
	2008	198,846	2,777	201,623	100,000	-	-	350,420	652,043	54%
T R B Goyder	2009	40,520	2,992	43,512	3,647	-	-	-	47,159	-
	2008	45,872	2,777	48,649	4,128	-	-	-	52,777	-
T M Clifton	2009	-	2,992	2,992	54,167	-	-	-	57,159	-
	2008	5,000	2,777	7,777	55,000	-	-	-	62,777	-
A R Bantock	2009	6,875	249	7,124	344	25,000	-	-	32,468	-
(resigned 4 August 2008)	2008	45,872	2,777	48,649	4,128	-	-	-	52,777	-
EXECUTIVES										
R K Hacker (Company Secretary)	2009	-	2,744	2,744	-	-	-	-	2,744	-
(appointed 1 August 2008)	2008	-	463	463	-	-	-	-	463	-
R A Heinrich (Chief Financial Officer)	2009	78,093	2,269	80,362	7,028	-	906	-	88,296	1%
(appointed 1 December 2008)	2008	-	-	-	-	-	-	-	-	-
A M Reynolds (Company Secretary)	2009	-	249	249	-	-	-	-	249	-
(appointed 1 April 2008 and resigned 1 August 2008)	2008	-	694	694	-	-	1,531	-	2,225	69%
L R Curyer (CFO & Company Secretary)	2009	-	-	-	-	-	-	-	-	-
(appointed 16 May 2007 and resigned 31 January 2008)	2008	124,814	1,620	126,434	11,625	115,000	23,814	-	276,873	9%
TOTAL COMPENSATION	**2009**	**582,082**	**21,113**	**603,195**	**224,400**	**25,000**	**37,015**	**597,436**	**1,487,046**	**40%**
	2008	**739,505**	**19,439**	**758,944**	**230,780**	**115,000**	**57,384**	**700,840**	**1,862,948**	**41%**

Note: Company secretarial services are provided by Richard Hacker on commercial terms under an arrangement with Chalice Gold Mines Limited.

DIRECTORS' REPORT

Notes in relation to the table of directors' and executive officers' remuneration

A. The fair value of the options is calculated at the date of grant using a binomial option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated to this reporting period. The following factors and assumptions were used in determining the fair value of options granted to key management personnel during the year:

GRANT DATE	EXPIRY DATE	FAIR VALUE PER OPTION	EXERCISE PRICE	PRICE OF ORDINARY SHARES ON GRANT DATE	EXPECTED VOLATILITY	RISK FREE INTEREST RATE	DIVIDEND YIELD
02-Dec-08	02-Dec-13	$0.02	$0.30	$0.06	80%	4.25%	Nil
16-Jun-09	01-Dec-11	$0.03	$0.30	$0.12	80%	3.00%	Nil

A. The fair value of the partly paid performance shares was calculated at the date of grant using a Monte Carlo Simulation valuation model and is allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the partly paid performance shares allocated to this reporting period. In valuing these shares, market conditions have been taken into account.

No performance shares were granted during the year.

Details of performance related remuneration

Details of the consolidated entity's policy in relation to the proportion of remuneration that is performance related is discussed in section 7.1 of this report.

7.3 Equity instruments

7.3.1 Options and rights over equity instruments granted as compensation

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that vested during the reporting period are as follows:

	NUMBER OF OPTIONS GRANTED DURING 2009	GRANT DATE	NUMBER OF OPTIONS VESTED DURING 2009	FAIR VALUE PER OPTION AT GRANT DATE ($)	EXERCISE PRICE ($)	EXPIRY DATE
DIRECTORS						
A W Kiernan	500,000	2-Dec-08	-	0.02	0.30	2-Dec-13
EXECUTIVES						
R A Heinrich	500,000	16-Jun-09	-	0.03	0.30	1-Dec-11

7.3.2 Exercise of options granted as compensation

During the reporting period no shares were issued on the exercise of options previously granted as compensation.

DIRECTORS' REPORT

7.3.3 Analysis of options and rights over equity instruments granted as compensation

Details of the vesting profile of the options granted as remuneration to each director of the Company and each of the named Company executives are set out below.

	NUMBER GRANTED	DATE GRANTED	% VESTED IN YEAR	FORFEITED IN YEAR	FINANCIAL YEAR IN WHICH GRANT VESTS
DIRECTORS					
A W Kiernan	500,000	2-Dec-08	-	-	2010
EXECUTIVES					
R A Heinrich	250,000	16-Jun-09	-	-	2010
R A Heinrich	250,000	16-Jun-09	-	-	2011

7.3.4 Analysis of movement in options

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each Company director and each of the named Company executives is detailed below.

	GRANTED IN YEAR $ (A)	EXERCISED IN YEAR $ (B)	FORFEITED IN YEAR $ (C)	TOTAL OPTION VALUE IN YEAR $
DIRECTORS				
A W Kiernan	10,670	-	-	10,670
EXECUTIVES				
R A Heinrich	15,432	-	-	15,432
FORMER EXECUTIVE				
A M Reynolds	-	-	8,376	8,376

A. The value of options granted in the year is the fair value of the options calculated at grant date using a binomial option-pricing model. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

B. The value of options exercised during the year is calculated as the market price of shares of the Company on the ASX as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

C. The value of the options that lapsed during the year represents the benefit foregone and is calculated at the date the option lapsed using a binomial option-pricing model with no adjustments for whether the performance criteria have or have not been achieved.

8. DIVIDENDS

No dividends were declared or paid for the previous year and the directors recommend that no dividend be paid for the current year.

DIRECTORS' REPORT

9. EVENTS SUBSEQUENT TO REPORTING DATE

Except as mentioned below, in the opinion of the Directors there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

On 6th July 2009 Uranium Equities entered into an exploration Joint Venture with Cameco Australia Pty Ltd on the Company's Rudall River project in Western Australia (Cameco 60%; UEQ 40%).

On 31st July 2009 the Company announced that its partner (being a major producer of phosphoric acid) in the development of the PhosEnergy Process advised that due to corporate priorities, unrelated to the technology, it wishes to cease the joint development of the technology at this stage. The funding agreement the Company had with a major uranium producer which itself was conditional on successful negotiations with the phosphoric acid producer, is being renegotiated in light of the above.

On 7th September 2009, Solicitors acting for David Brunt, a Director of the Company, wrote to the Company seeking a severance payment arising from the termination of Mr. Brunt's previous employment contract with the Company. The Company is currently seeking legal advice.

10. LIKELY DEVELOPMENTS

The Company will continue activities in the exploration, evaluation and acquisition of uranium projects with the objective of establishing a significant uranium production business.

11. DIRECTORS' INTERESTS

The relevant interest of each director in the shares, rights or options over such instruments issued by the Company and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES	PARTLY PAID PERFORMANCE SHARES
A W Kiernan	1,454,068	1,500,000	-
M S Chalmers	4,282,976	269,226	4,663,750
D A Brunt	4,013,750	-	4,663,750
T R B Goyder	20,300,000	-	-
T M Clifton	8,940,000	-	-

12. SHARE OPTIONS

Options granted to directors and officers of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following directors and to the most highly remunerated officers of the Company as part of their remuneration:

	NUMBER OF OPTIONS GRANTED	EXERCISE PRICE ($)	EXPIRY DATE
DIRECTORS			
A W Kiernan	500,000	0.30	2-Dec-13
EXECUTIVES			
R A Heinrich	500,000	0.30	1-Dec-11

Mark Chalmers, a Director of the Company, was issued 269,226 shares and 269,226 options (expiry 31st July 2011 at an exercise price of $0.191) in Uranium Equities as consideration for Uranium Equities' equity interest in Urtek LLC increasing from 16.13% to 30%. The issue of shares and options was approved by the shareholders at the AGM on 27th November 2008.

All options were granted during the financial year. No options have been granted since the end of the financial year.

DIRECTORS' REPORT

Unissued shares under options

At the date of this report, 19,905,000 unissued ordinary shares of the Company are under option on the following terms and conditions:

EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS
21-Oct-09	$0.155	5,000,000
30-Nov-09	$0.155	500,000
20-Dec-10	$0.155	100,000
13-May-11	$0.300	250,000
31-May-11	$0.350	1,700,000
31-Jul-11	$0.191	1,000,000
01-Sep-11	$0.350	700,000
01-Oct-11	$0.350	150,000
01-Nov-11	$0.550	25,000
01-Dec-11	$0.550	400,000
01-Dec-11	$0.300	500,000
17-Jan-12	$0.550	500,000
21-Jun-12	$0.600	130,000
1-Jul-12	$0.300	1,900,000
15-Nov-12	$0.600	500,000
01-Mar-13	$0.300	2,300,000
	$0.450	750,000
28-Mar-13	$0.750	3,000,000
02-Dec-13	$0.300	500,000

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

During or since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options.

13. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the directors and officers who have held office of the Company or its controlled entities during this financial year, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the financial year the Company has paid insurance premiums of $19,950 in respect of Directors and Officers' liability and legal expenses insurance contracts, for current and former directors and officers, including executive officers of the Company and directors and executive officers and secretaries of its controlled entities. The insurance premiums relate to:

- ·costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- ·other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The amount of insurance paid is included in directors and executives remuneration.

14. NON-AUDIT SERVICES

During the year KPMG, the Company's auditor, has performed no other services in addition to their statutory audit duties.

DIRECTORS' REPORT

15. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 33 and forms part of the directors' report for financial year ended 30 June 2009.

This report is made with a resolution of the directors:

Anthony W Kiernan
Chairman

Dated at Perth this the 9th day of September 2009.

Lead Auditor's Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Uranium Equities Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Derek Meates

Partner

Adelaide

9 September 2009

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

INCOME STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
REVENUE	3	**157,590**	214,923	**-**	-
Impairment losses on exploration and evaluation assets	14	**(2,593,490)**	(2,675,175)	**-**	(500)
Corporate administrative expenses	4	**(2,219,812)**	(4,129,646)	**(2,097,394)**	(3,710,695)
Profit on sale of exploration and evaluation assets		**-**	55,304	**-**	55,304
Loss on disposal of fixed assets	15	**(7,427)**	-	**(7,427)**	-
Impairment loss on equity accounted investees	13	**(1,657,503)**	(1,451,371)	**55,000**	(1,451,371)
Share of equity accounted investee losses	13	**(730,221)**	(270,622)	**-**	(270,622)
Impairment losses on available for sale investments	12	**(8,911)**	(105,669)	**-**	(76,842)
Impairment losses on investments in controlled entities	12	**-**	-	**(4,708,744)**	(2,939,833)
LOSS BEFORE FINANCING COSTS		**(7,059,774)**	(8,362,256)	**(6,758,566)**	(8,394,559)
Financial income	7	**620,810**	1,312,008	**576,056**	1,312,008
Financial expenses	7	**(167,048)**	(6,930)	**(225,545)**	(6,806)
Net financing income		**453,762**	1,305,078	**350,511**	1,305,202
LOSS BEFORE TAX		**(6,606,012)**	(7,057,178)	**(6,408,055)**	(7,089,357)
Income tax benefit	8	**111,164**	-	**111,164**	-
LOSS FOR THE YEAR		**(6,494,848)**	(7,057,178)	**(6,296,891)**	(7,089,357)
Basic earnings per share	9	**(0.03)**	(0.04)		
Diluted earnings per share	9	**(0.03)**	(0.04)		

The income statements are to be read in conjunction with the notes of the financial statements set out on pages 38 to 67.

Statements of Recognised Income and Expense

FOR THE YEAR ENDING 30 JUNE 2009

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Net loss recognised directly in equity		-	-	-	-
LOSS FOR THE YEAR		**(6,494,848)**	(7,057,178)	**(6,296,891)**	(7,089,357)
TOTAL RECOGNISED INCOME & EXPENSE FOR THE YEAR		**(6,494,848)**	(7,057,178)	**(6,296,891)**	(7,089,357)

The statements of recognised income and expense are to be read in conjunction with the notes of the financial statements set out on pages 38 to 67.

BALANCE SHEETS

FOR THE YEAR ENDING 30 JUNE 2009

	Note	CONSOLIDATED 2009	CONSOLIDATED 2008	THE COMPANY 2009	THE COMPANY 2008
CURRENT ASSETS					
Cash and cash equivalents	10	**8,750,004**	14,831,371	**3,208,296**	14,810,591
Trade and other receivables	11	**352,956**	1,298,086	**166,763**	1,190,599
Financial assets	12	**-**	41,541	**-**	41,541
TOTAL CURRENT ASSETS		**9,102,960**	16,170,998	**3,375,059**	16,042,731
NON-CURRENT ASSETS					
Financial assets	12	**13,324**	12,061	**14,605,489**	8,080,482
Equity accounted investees	13	**-**	-		-
Exploration and evaluation assets	14	**11,214,617**	10,992,039	**-**	-
Property, plant and equipment	15	**423,339**	447,200	**318,204**	350,848
TOTAL NON-CURRENT ASSETS		**11,651,280**	11,451,300	**14,923,693**	8,431,330
TOTAL ASSETS		**20,754,240**	27,622,298	**18,298,752**	24,474,061
CURRENT LIABILITIES					
Trade and other payables	17	**420,709**	1,164,596	**282,986**	1,155,845
Provisions	18	**759,705**	365,000	**-**	-
Employee benefits	19	**140,201**	123,982	**140,201**	123,982
TOTAL CURRENT LIABILITIES		**1,320,615**	1,653,578	**423,187**	1,279,827
NON-CURRENT LIABILITIES					
Provisions	18	**1,558,060**	2,576,529	**-**	-
Employee benefits	19	**33,180**	-	**33,180**	-
TOTAL NON-CURRENT LIABILITIES		**1,591,240**	2,576,529	**33,180**	-
TOTAL LIABILITIES		**2,911,855**	4,230,107	**456,367**	1,279,827
NET ASSETS		**17,842,385**	23,392,191	**17,842,385**	23,194,234
EQUITY					
Issued capital	20	**43,068,654**	42,942,884	**43,068,654**	42,942,884
Reserves	20	**4,899,880**	4,080,608	**4,899,880**	4,080,608
Accumulated losses	20	**(30,126,149)**	(23,631,301)	**(30,126,149)**	(23,829,258)
TOTAL EQUITY		**17,842,385**	23,392,191	**17,842,385**	23,194,234

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 38 to 67.

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDING 30 JUNE 2009

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from operations		**102,739**	532,906	**-**	242,185
Cash paid to suppliers and employees		**(1,753,842)**	(2,253,695)	**(1,696,112)**	(1,887,955)
Interest paid		**(17,220)**	(6,930)	**(17,076)**	(6,806)
Interest received		**585,827**	1,389,722	**570,807**	1,389,722
NET CASH USED IN OPERATING ACTIVITIES	26	**(1,082,496)**	(337,997)	**(1,142,381)**	(262,854)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments		**32,631**	-	**-**	-
Payments for investments		**(4,511,733)**	(2,767,585)	**-**	(3,084,448)
Reimbursement of investment in equity accounted investee	13	**3,354,794**	-	**1,045,592**	-
Deferred consideration from sale of tenements		**-**	1,250,000	**-**	1,250,000
Payments for mining exploration and evaluation and rehabilitation		**(3,773,370)**	(5,938,133)	**-**	(500)
Acquisition of property, plant and equipment		**(101,193)**	(197,620)	**(69,739)**	(197,620)
Acquisition of subsidiary	25	**-**	(316,863)	**-**	(316,863)
Loans to controlled entities		**-**	-	**(11,435,767)**	(5,485,456)
NET CASH USED IN INVESTING ACTIVITIES		**(4,998,871)**	(7,749,690)	**(10,459,914)**	(7,614,376)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from issue of shares		**-**	-	**-**	-
NET CASH FROM FINANCING ACTIVITIES		**-**	-	**-**	-
Net increase/(decrease) in cash and cash equivalents		**(6,081,367)**	(8,308,198)	**(11,602,295)**	(8,097,741)
Cash and cash equivalents at 1 July		**14,831,371**	23,139,569	**14,810,591**	22,908,332
CASH AND CASH EQUIVALENTS AT 30 JUNE	10	**8,750,004**	14,831,371	**3,208,296**	14,810,591

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 38 to 67.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDING 30 JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES

Uranium Equities Limited is a company domiciled in Australia at Level 6, 50 Grenfell Street, Adelaide, South Australia. The consolidated financial report of the Company for the financial year ended 30 June 2009 comprises the Company and its subsidiaries (together referred to as the 'consolidated entity').

The financial report was authorised for issue by the directors on 9 September 2009.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') including Australian Interpretations adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of preparation

The financial report is presented in Australian dollars, the consolidated entity's functional currency, and is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as available for sale.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2009 the consolidated entity had accumulated losses of $30.1 million, however net assets are $17.8 million and the Directors believe the consolidated entity has sufficient cash of $8.8 million to pay its debts as and when they fall due and to fund near term anticipated exploration and corporate activities. It is the intention of the Directors to continue to explore the consolidated entity's areas of interest for which rights of tenure are current, and fund its PhosEnergy technology development project. The Directors consider that the consolidated entity has the ability to fund its projects through a combination of use of existing cash, partnership arrangements and access to the equity market if necessary. The directors will take the appropriate action to ensure these funds are available as and when they are required.

The following standards and amendments have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

Revised AASB 3 'Business Combinations' changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non-controlling (minority) interests at full fair value or the proportionate share of the fair value of the underlying net assets; guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract alone and those involving mutuals. The revised standard becomes mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company's financial report.

AASB 8 'Operating Segments' introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Company's 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of its business and geographical segments (refer to note 2). The Company will assess how segment is presented under the management approach in the lead up to the year ended 30 June 2010.

Revised AASB 101 'Presentation of Financial Statements' introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company's disclosures.

AASB 2008-1 Amendments to Australian Accounting Standard – 'Share-based Payment: Vesting Conditions and Cancellations changes the measurement of share-based payments that contain non-vesting conditions'. AASB 2008-1 becomes mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the amending standard on the Company's financial report.

Other standards issued and available for early adoption but not applied by the consolidated entity are not expected to have a significant impact on the financial report of the consolidated entity and the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

Use of Estimates and Judgements

The preparation of a financial report in conformity with AASB's requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

(i) Recoverability of exploration expenditure

The carrying amount of exploration and evaluation expenditure is dependent on the future successful outcome from exploration activity or alternatively the sale of the respective areas of interest.

(ii) Shared-based payment transactions

The consolidated entity measures the cost of equity-settled share-based payments at fair value at the grant date using a binomial formula taking into account the terms and conditions upon which the instruments were granted.

The accounting policies described below have been applied consistently to all periods presented and to all entities in the group.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial report from the date that control commences until the date that control ceases. Investments in subsidiaries are carried at cost of acquisition in the Company's financial statements less impairment losses.

(ii) Associates

Associates are those entities in which the consolidated entity has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the consolidated entity holds between 20 and 50 percent of the voting power of another entity. Other qualitative factors are also considered in determining if the consolidated entity has significant influence where the consolidated entity holds less than 20 percent of the voting power.

Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The financial statements include the consolidated entity's share of the income and expenses and equity movements of equity accounted investees, after adjustment to align the accounting policies with those of the consolidated entity, from the date that significant influence commences until the date that significant influence ceases. When the consolidated entity's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the consolidated entity has an obligation or has made payments on behalf of the investee.

(iii) Joint ventures

The interests of the consolidated entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements its share of jointly controlled assets, jointly incurred liabilities and expenses, and its share of income that it earns from the sale of any goods or services by the joint venture.

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(d) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when they are deferred in equity as part of the net investment in a foreign operation.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement are translated at the exchange rates prevailing at the dates of the transactions, and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Segment reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(f) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (l). The cost of assets includes the cost of materials, direct labour, and where appropriate, an appropriate proportion of overheads.

(ii) Leased assets

Leases in terms of which the consolidated entity assumes substantially all of the risks and rewards of ownership are classified as finance leases. The plant and equipment acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy (l).

(iii) Subsequent costs

The consolidated entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(g) Depreciation

Depreciation is charged to the income statement on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- plant and equipment 7%-40%
- fixtures and fittings 11%-22%
- motor vehicles 22.5%

The residual value, if not insignificant, is reassessed annually.

(h) Exploration, evaluation, development and tenement acquisition costs

Exploration, evaluation, development and tenement acquisition costs in relation to separate areas of interest for which rights of tenure are current, are capitalised in the period in which they are incurred and are carried at cost less accumulated impairment losses. The cost of acquisition of an area of interest and exploration expenditure relating to that area of interest is carried forward as an asset in the Balance Sheet so long as the following conditions are satisfied:

1) the rights to tenure of the area of interest are current; and
2) at least one of the following conditions is also met:

   - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
   - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure is assessed for impairment when facts and circumstances suggest that their carrying amount exceeds its recoverable amount and where this is the case an impairment loss is recognised. Should a project or an area of interest be abandoned, the expenditure will be written off in the period in which the decision is made. Where a decision is made to proceed with development, accumulated expenditure will be amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

(i) Investments

Financial instruments held by the consolidated entity are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of financial instruments classified as available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as available-for-sale investments are recognised or derecognised by the consolidated entity on the date it commits to purchase or sell the investments.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

(j) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy (j)).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits which are readily convertible to cash. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(l) Impairment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. A cash generating unit is the smallest group of assets that generate cashflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cashflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Receivables with a short duration are not discounted.

(m) Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Share capital

(i) Ordinary share capital

Ordinary shares and partly paid shares are classified as equity.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(o) Leases

Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(p) Employee benefits

(i) Superannuation

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

(ii) Share-based payment transactions

The Company provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The Company currently provides benefits under an Employee Share Option Plan.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and

(ii) the number of awards that, in the opinion of the directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(iii) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

(q) Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The consolidated entity records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities and restoration of affected areas.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation assets. Over time, the liability is increased for the change in the present value based on a risk adjusted pre-tax discount rate appropriate to the risks inherent in the liability.

The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in exploration and evaluation assets is capitalised in accordance with accounting policy (h) and (l).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(r) Trade and other payables

Trade and other payables are stated at amortised cost.

(s) Revenue

(i) Advisory income

Revenue from services rendered is recognised as the service is performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the costs incurred or to be incurred cannot be measured reliably.

(ii) Other income - sales of assets and investments

Income from the sale of assets and investments is recognised in the income statement when the significant risks and rewards of ownership have been transferred to external parties.

(t) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method and interest receivable on funds invested.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

(u) Income tax

Income tax in the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(i) Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

(ii) Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/ consolidated entity intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(iii) Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(iv) Tax funding and tax sharing arrangements

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Uranium Equities Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

(v) Non-current assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up to date in accordance with applicable AASB's. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned also may qualify.

(w) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(x) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(y) Other intangible assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the corporate 'administrative expenses' line item.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

2. SEGMENT REPORTING

Business segments

The consolidated entity comprises the following main business segments:
(i) PhosEnergy – development of uranium extraction technology from phosphoric acid
(ii) Exploration – brownfields and greenfields mineral exploration
(iii) Advisory Services – consultancy to the mining and exploration industry

Geographical segments

The PhosEnergy process is being developed in conjunction with a significant phosphate producer in the USA. Exploration activities are based in Australia, mainly in the Northern Territory and South Australia. Advisory services are provided to clients predominantly in Australia and Asia.

	PHOSENERGY		EXPLORATION		ADVISORY		CONSOLIDATED	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Segment revenue	**-**	-	**-**	-	**157,590**	214,923	**157,590**	214,923
Segment result	**(2,396,478)**	(1,721,993)	**(2,593,490)**	(2,675,175)	**71,282**	(271)	**(4,918,687)**	(4,397,439)
Unallocated expenses							**(2,141,087)**	(3,964,817)
Results from operating activities							**(7,059,774)**	(8,362,256)
Segment assets	**-**	-	**11,214,617**	10,992,039	**71,282**	22,660	**11,285,899**	11,014,699
Unallocated assets							**9,468,341**	16,607,599
TOTAL ASSETS							**20,754,240**	27,622,298
Segment liabilities	**-**	-	**2,452,783**	2,950,279	**2,704**	-	**2,455,487**	2,950,279
Unallocated liabilities							**456,367**	1,279,828
TOTAL LIABILITIES							**2,911,855**	4,230,107

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

3. REVENUE

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
Advisory fees	**152,782**	214,924	**-**	-
Other	**4,808**	-	**-**	-
	157,590	214,924	**-**	-

4. CORPORATE ADMINISTRATIVE EXPENSES

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Accounting fees		**80,199**	67,050	**71,750**	67,050
Annual report costs		**41,260**	39,838	**41,260**	39,838
ASX fees		**24,240**	30,946	**24,240**	30,946
Audit fees	6	**55,863**	46,540	**55,863**	46,540
Depreciation and amortisation		**94,956**	380,313	**94,956**	173,318
Insurance		**52,936**	56,873	**52,936**	56,873
Legal fees		**62,150**	680,360	**59,950**	680,360
Marketing		**14,154**	20,314	**14,154**	20,314
Rent and outgoings		**29,993**	84,714	**29,993**	84,714
Personnel expenses	5	**1,539,365**	2,230,226	**1,455,706**	2,016,245
Printing and stationery		**3,596**	12,940	**3,596**	12,940
Share registry		**24,150**	35,864	**24,150**	35,864
Stamp duty		**-**	410	**-**	410
Travel and accommodation		**75,001**	141,878	**75,001**	143,052
Recruitment		**28,385**	-	**28,385**	-
Other		**93,564**	301,380	**65,854**	302,231
		2,219,812	4,129,646	**2,097,394**	3,710,695

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

5. PERSONNEL EXPENSES

		CONSOLIDATED		THE COMPANY	
		2009	2008	**2009**	2008
Wages and salaries		**274,929**	490,513	**191,270**	276,531
Directors' fees		**167,636**	185,000	**167,636**	108,744
Consulting fees		**48,007**	33,696	**48,007**	33,695
Other associated personnel expenses		**80,001**	117,323	**80,001**	117,324
Superannuation fund contributions		**159,544**	209,290	**159,544**	285,547
Increase in liability for annual leave	19	**16,219**	42,178	**16,219**	42,178
Increase in provision for long service leave	19	**33,180**	-	**33,180**	-
Equity-settled transactions	20	**759,849**	1,152,226	**759,849**	1,152,226
		1,539,365	2,230,226	**1,455,706**	2,016,245

6. AUDITORS' REMUNERATION

	CONSOLIDATED		THE COMPANY	
AUDIT SERVICES Auditors of the Company	**2009**	2008	**2009**	2008
KPMG Australia: Audit and review of financial reports	**55,863**	46,540	**55,863**	46.540

7. NET FINANCING INCOME

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Interest income		**620,810**	1,312,008	**576,056**	1,312,008
Unwind of discount on rehabilitation provision		**(97,280)**	-	**-**	-
Net foreign exchange gain/(loss)		**(52,548)**	-	**(208,469)**	-
Interest expense		**(17,220)**	(6,930)	**(17,076)**	(6,806)
Total financial expenses		**(167,048)**	(6,930)	**(225,545)**	(6,806)
Net financing income		**453,762**	1,305,078	**350,511**	1,305,202

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

8. INCOME TAX

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Current tax benefit		**111,164**	-	**111,164**	-
Deferred tax benefit		**-**	-	**-**	-
Total income tax benefit reported in the income statement		**111,164**	-	**111,164**	-

Numerical reconciliation between tax expense and pre-tax net loss:

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Loss before tax		**6,606,012**	7,057,178	**6,408,055**	7,089,857
Income tax benefit using the domestic corporation tax rate of 30% (2008: 30%)		**1,981,804**	2,117,153	**1,922,417**	2,126,957
Decrease in income tax benefit due to:					
Non-deductible expenses		**(228,502)**	(1,161,158)	**(228,502)**	(1,161,158)
Under provision in prior period		**(571,177)**	-	**(571,177)**	-
Current and deferred tax benefit not recognised		**(1,070,961)**	(955,995)	**(1,011,574)**	(965,799)
Income tax benefit on loss before tax		**111,164**	-	**111,164**	-

Deferred tax assets and liabilities for the Consolidated Entity are attributable to the following:

CONSOLIDATED	ASSETS		LIABILITIES		NET	
	2009	2008	**2009**	2008	**2009**	2008
Exploration and evaluation assets	**-**	-	**3,364,385**	3,297,611	**3,364,385**	3,297,611
Capital raising costs	**(104,582)**	(159,284)	**-**	-	**(104,582)**	(159,284)
Legal costs	**(233,093)**	(87,278)	**-**	-	**(233,093)**	(87,278)
Rehabilitation provision	**(695,329)**	(882,458)	**-**	-	**(695,329)**	(882,458)
Other items	**(59,364)**	(41,545)	**11,695**	-	**(47,669)**	(41,545)
	(1,092,368)	(288,107)	**3,376,080**	2,415,153	**2,283,712**	2,127,046
Tax losses used to offset net deferred tax liability					**(2,283,712)**	(2,127,046)
Net deferred tax assets and liabilities					**-**	-

Deferred tax assets have not been recognised in respect of the following items:

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
Tax losses – Revenue	**6,217,183**	3,824,520	**6,217,183**	3,824,520
Tax losses – Capital	**1,828,736**	-	**1,828,736**	-
Tax losses – Total	**8,045,919**	3,824,520	**8,045,919**	3,824,520
Potential tax benefit at 30%	**2,413,776**	1,147,356	**2,413,776**	1,147,356

The unrecognised benefit from temporary differences on revenue items for the Company amounts to $394,265.

The unrecognised benefit from temporary differences on capital items amounts to $741,465 for the Consolidated Entity and $2,692,958 for the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

9. EARNINGS PER SHARE

Basic and diluted earnings/(loss) per share

The calculation of basic and diluted loss per share at 30 June 2009 was based on the loss attributable to ordinary shareholders of $6,494,848 (2008: $7,057,178) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2009 of 190,238,094 (2008: 189,410,801).

10. CASH AND CASH EQUIVALENTS

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Bank balances		**209,675**	1,426,794	**208,296**	1,406,014
Term deposits		**8,540,329**	13,404,577	**3,000,000**	13,404,577
Cash and cash equivalents in the statement of cash flows		**8,750,004**	14,831,371	**3,208,296**	14,810,591

The effective interest rate earned on deposits is 5.27%.

11. TRADE AND OTHER RECEIVABLES

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
CURRENT					
Other trade receivables		**204,266**	1,265,878	**18,095**	1,158,391
Prepayments		**37,527**	32,208	**37,504**	32,208
Income tax receivable		**111,164**	-	**111,164**	-
		352,956	1,298,086	**166,763**	1,190,599

12. FINANCIAL ASSETS

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
CURRENT					
Listed equity securities available-for-sale		**-**	41,541	**-**	41,541
		-	41,541	**-**	41,541
NON-CURRENT INVESTMENTS					
Investments in controlled entities - at cost	24	**-**	-	**19,300,909**	11,008,254
Impairment losses		**-**	-	**(4,708,744)**	(2,939,833)
		-	-	**14,592,743**	8,068,421
Bond in relation to office premises		**13,324**	12,061	**13,324**	12,061
		13,324	12,061	**14,605,489**	8,080,482

During the year the consolidated entity disposed of an investment in an Australian Securities Exchange listed company. This investment was classified as available-for-sale with movements in the underlying value of the asset recorded through the investment revaluation reserve, with the exception of impairment losses. During the year, impairment losses were recognised on the listed investment amounting to $8,911 (2008: $105,669).

An impairment loss has also been recognised for the Company's investments in controlled entities. Investments are impaired to the extent that the investment exceeds the underlying net assets of the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

13. EQUITY ACCOUNTED INVESTEES

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Investment in equity accounted investee		**4,696,926**	2,767,585	**-**	2,767,585
Reimbursement of funds		**(2,309,202)**	(1,045,592)	**-**	(1,045,592)
Share of equity accounted investee losses		**(730,221)**	(270,622)	**-**	(270,622)
Impairment losses		**(1,657,503)**	(1,451,371)	**-**	(1,451,371)
		-	-	**-**	-

The consolidated entity increased its ownership percentage from 16.13% to 40.00% in Urtek LLC, a limited liability company incorporated in the USA for the purposes of developing the "PhosEnergy Process", a technology for the extraction of uranium from phosphoric acid. The Company's interest in Urtek LLC was transferred to its wholly owned US subsidiary PhosEnergy Inc in July 2008 for $55,000.

The consolidated entity's share of the losses of Urtek LLC for the year was $730,221. Impairment losses have been recognised in relation to the investment in Urtek LLC as the PhosEnergy Process is in the research and development phase. Commercial application of the PhosEnergy Process has not yet been proven. Reimbursement of funds from the technology development partner of $3,354,794 was received during 2009 (2008: Nil).

As discussed in note 27, Mark Chalmers, a Director of the Company has a 16.15% interest in Urtek LLC.

14. EXPLORATION AND EVALUATION EXPENDITURE

		CONSOLIDATED		THE COMPANY	
	Note	**2009**	2008	**2009**	2008
Cost brought forward		**10,992,039**	4,787,553	**-**	-
Expenditure incurred during the year		**2,816,068**	5,938,132	**-**	500
Acquisition of exploration and evaluation assets	25	**-**	2,941,529	**-**	-
Impairment losses		**(2,593,490)**	(2,675,175)	**-**	(500)
		11,214,617	10,992,039	**-**	-

Interests in exploration projects in South Australia and Western Australia were relinquished during the year.

15. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
At cost	**777,368**	707,608	**654,947**	611,256
Less: accumulated depreciation	**(354,029)**	(260,408)	**(336,743)**	(260,408)
	423,339	447,200	**318,204**	350,848
PLANT AND EQUIPMENT				
Carrying amount at beginning of financial year	**447,200**	326,546	**350,848**	326,546
Additions	**101,284**	293,972	**69,829**	197,620
Disposals/written-off	**(7,518)**	-	**(7,518)**	-
Depreciation	**(117,627)**	(173,318)	**(94,956)**	(173,318)
Carrying amount at end of financial year	**423,339**	447,200	**318,204**	350,848
TOTAL PROPERTY, PLANT AND EQUIPMENT	**423,339**	447,200	**318,204**	350,848

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

16. INTANGIBLE ASSETS

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
ADVISORY CONTRACTS				
Carrying amount at 1 July	**-**	206,995	**-**	-
Less: amortisation	**-**	(206,995)	**-**	-
Total carrying amount of intangible asset at 30 June	**-**	-	**-**	-

Advisory Contracts

The acquisition of Uranium Equity Limited (now named Uranium Services Pty Ltd) resulted in an Advisory Agreement being recorded as an intangible asset. This intangible asset was fully amortised in 2008.

17. TRADE AND OTHER PAYABLES

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
Trade payables	**200,479**	935,208	**200,479**	935,208
Other creditors and accrued expenses	**220,230**	229,388	**82,507**	220,637
	420,709	1,164,596	**282,986**	1,155,845

18. PROVISIONS

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
CURRENT				
Rehabilitation	**759,705**	365,000	**-**	-
	759,705	365,000	**-**	-
NON-CURRENT				
Rehabilitation	**1,558,060**	2,576,529	**-**	-
	1,558,060	2,576,529	**-**	-

The Company assumed all obligations for rehabilitation at the Nabarlek Mining Lease following the acquisition of Queensland Mines Pty Ltd in 2008 (refer to note 25). During the year substantial planting of native vegetation and weed control activities were undertaken on the lease, reducing the provision.

19. EMPLOYEE BENEFITS

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
CURRENT				
Liability for annual leave	**140,201**	123,982	**140,201**	123,982
NON-CURRENT				
Provision for long service leave	**33,180**	-	**33,180**	-
	173,381	123,982	**173,381**	123,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

Share based payments

(a) Employee and Consultant Share Option Plan

The Company has an Employee and Consultant Share Option Plan (ESOP) in place which was most recently approved at the annual general meeting held on 27 November 2008.

Under the terms of the Employees and Consultants Option Plan, the Board may offer options at no consideration to full-time or part-time employees (including persons engaged under a consultancy agreement) and Executive and Non-executive Directors.

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options is such price as determined by the Board.

An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

Share options were granted to directors, employees and consultants on the following terms and conditions during the year:

GRANT DATE	NUMBER OF INSTRUMENTS	CONTRACTUAL LIFE OF INSTRUMENTS
2 December 2008	500,000	5 years
16 June 2009	500,000	2.5 years

Vesting conditions vary between the granting of options. See 7.3.3 of the Director's Report.

The number and weighted average exercise prices of share options is as follows:

	WEIGHTED AVERAGE EXERCISE PRICE 2009	NUMBER OF OPTIONS 2009	WEIGHTED AVERAGE EXERCISE PRICE 2008	NUMBER OF OPTIONS 2008
Outstanding at the beginning of the period	$0.29	16,435,000	$0.40	14,385,000
Forfeited during the period	$0.47	(430,000)	$0.49	(1,900,000)
Exercised during the period	-	-	-	-
Granted during the period	$0.25	2,000,000	$0.37	3,950,000
Outstanding at the end of the period	$0.36	18,505,000	$0.29	16,435,000
Exercisable at the end of the period	$0.36	15,880,000	$0.30	11,392,500

The options outstanding at the end of the period have an exercise price in the range of $0.155 to $0.75 and a weighted average contractual life of 5 years. These include 3 million options issued to advisors with an exercise price of $0.75 as part of the Company's capital raising in 2007 and 1 million options issued with an exercise price of $0.191 to the founding members of Urtek LLC upon the consolidated entity increasing its interest from 16.13% to 30% in July 2008.

The fair value of the options is estimated at the date of grant using the binomial model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2009.

FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS (WEIGHTED AVERAGE)	2009	2008
Share price at grant date	$0.11	$0.16
Exercise price	$0.25	$0.37
Expected volatility (expressed as weighted average volatility used in the modelling under binominal option-pricing model)	80%	80%
Option life (expressed as weighted average life used in the modelling under binominal option-pricing model)	3 years	5 years
Expected dividends	-	-
Risk-free interest rate	5.1%	7.3%

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Employee share options are granted under a service condition. Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(b) Partly Paid Performance Shares

No performance shares were issued during the years ended 30 June 2009 or 30 June 2008.

The number and weighted average exercise prices of partly paid performance shares is as follows:

	WEIGHTED AVERAGE AMOUNT TO BE PAID UP 2009	NUMBER OF PARTLY PAID PERFORMANCE SHARES 2009	WEIGHTED AVERAGE AMOUNT TO BE PAID UP 2008	NUMBER OF PARTLY PAID PERFORMANCE SHARES 2008
Outstanding at the beginning of the period	$0.075	9,327,500	$0.075	9,327,500
Amounts credited as paid during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the period	$0.075	9,327,500	$0.075	9,327,500
Number able to be converted to ordinary shares at the end of the period	$0.075	9,327,500	$0.075	9,327,500

The partly paid performance shares outstanding at 30 June 2009 have an amount to be paid on conversion to ordinary shares of $0.075 and a weighted average contractual life of 10 years. Following the resignation of Mark Chalmers as Managing Director on 5th August 2009 the Company advised all partly paid performance shareholders they have until 5th November 2009 (unless extended by mutual agreement) to pay the balance of $0.075 per share. As at the date of this report Tim Clifton had paid the balance to convert his 2,870,000 performance shares to ordinary shares.

	CONSOLIDATED		THE COMPANY	
	2009 $	2008 $	**2009 $**	2008 $
Share options granted in 2006 - equity settled	**-**	74,076	-	74,076
Share options granted in 2007 - equity settled	**41,512**	340,655	41,512	340,655
Share options granted in 2008 - equity settled	**192,109**	103,803	192,109	103,803
Share options granted in 2009 - equity settled	**7,093**	-	6,188	-
Partly paid performance shares granted in 2006 – equity settled	**597,437**	700,839	597,437	700,839
Share options forfeited and prior year cost written back	**(78,302)**	(67,147)	(78,302)	(67,147)
Total expense recognised as employee costs (Note 5)	**759,849**	1,152,226	**759,849**	1,152,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

20. CAPITAL AND RESERVES

CONSOLIDATED 2009	SHARE CAPITAL (A) $	SHARE OPTION RESERVE (B) $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2008	42,942,884	4,080,608	(23,631,301)	23,392,191
Equity settled transactions	125,770	819,272	-	945,042
Loss for the period	-	-	(6,494,848)	(6,494,848)
BALANCE AT 30 JUNE 2009	**43,068,654**	**4,899,880**	**(30,126,149)**	**17,842,385**

CONSOLIDATED 2008	SHARE CAPITAL (A) $	SHARE OPTION RESERVE (B) $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2007	42,942,884	2,928,382	(16,572,709)	29,298,557
Equity settled transactions	-	1,152,226	-	1,152,226
Other	-	-	(1,414)	(1,414)
Loss for the period	-	-	(7,057,178)	(7,057,178)
Balance at 30 June 2008	42,942,884	4,080,608	(23,631,301)	23,392,191

COMPANY 2009	SHARE CAPITAL (A) $	SHARE OPTION RESERVE (B) $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2008	42,942,884	4,080,608	(23,829,258)	23,194,234
Equity settled transactions	125,770	819,272	-	945,042
Loss for the period	-	-	(6,296,891)	(6,296,891)
BALANCE AT 30 JUNE 2009	**43,068,654**	**4,899,880**	**(30,126,149)**	**17,842,385**

COMPANY 2008	SHARE CAPITAL (A) $	SHARE OPTION RESERVE (B) $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2007	42,942,884	2,928,382	(16,739,901)	29,131,365
Equity settled transactions	-	1,152,226	-	1,152,226
Loss for the period	-	-	(7,089,357)	(7,089,357)
Balance at 30 June 2008	42,942,884	4,080,608	(23,829,258)	23,194,234

The increase in Share Options Reserve of $819,272 in 2009 comprises $759,849 in employee equity-settled compensation and $59,423 relating to 1,000,000 options issued in consideration for the Consolidated Entity increasing its interest in Urtek LLC from 16.13% to 30% in July 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(a) Share Capital

	CONSOLIDATED AND THE COMPANY			
	ORDINARY SHARES		PARTLY PAID PERFORMANCE SHARES	
	2009	2008	2009	2008
On issue at 1 July	189,410,801	189,410,801	14,350,000	14,350,000
Equity Settled Transactions	1,000,000	-	-	-
On issue at 30 June	190,410,801	189,410,801	14,350,000	14,350,000

Ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, the ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds on liquidation.

Partly paid performance shares

Each partly paid performance share was issued in 2006 at $0.15 of which $0.075 is credited as paid with $0.075 remaining to be paid to convert the same into ordinary shares in the Company.

On issue, the conditions attached to converting each partly paid performance share prior to 17 May 2016 were:

(i) the service agreements with Mark Chalmers and David Brunt remaining in full force and effect;

(ii) as to 8,000,000 partly paid performance shares, the ordinary shares of the Company trading on the ASX at no less than $0.25 per share for 15 consecutive business days;

(iii) as to 5,000,000 partly paid performance shares, the ordinary shares of the Company trading on the ASX at no less than $0.35 per share for 15 consecutive business days; and

(iv) as to 1,350,000 Performance shares, the ordinary shares of the Company trading on the ASX at no less than $0.50 per share for 15 consecutive business days.

All the above ASX share price hurdles have been met. On 5th August 2009 Mark Chalmers resigned as Managing Director of the Company. Consequently, at the Company's discretion, all partly paid performance shareholders have been advised that the performance shares must be converted to ordinary shares by 5th November, 2009, unless the period is extended by mutual agreement. As at the date of this report Calm Holdings Pty Ltd (as Trustee for the Clifton Super Fund), a company in which Tim Clifton has a relevant interest, had paid the balance of $0.075 per share to convert his 2,870,000 performance shares to ordinary shares.

The partly paid performance shares are not transferable and carry no voting rights at a meeting of the Company. There are also no participating rights to dividend by return of capital and holders will not be entitled to participate in new issues of capital offered to shareholders.

In the event that the holder of the partly paid performance shares wishes to accept a takeover offer or scheme of arrangement or merger, any vesting conditions not at that time met shall be deemed to be met upon payment of the unpaid amounts on the shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

(b) Share Options

	CONSOLIDATED AND THE COMPANY UNLISTED SHARE OPTIONS	
	2009	**2008**
On issue at beginning of year	16,435,000	14,385,000
Options issued during the year	2,000,000	3,950,000
Options forfeited during the year	(430,000)	(1,900,000)
Options exercised during the year	-	-
On issue at end of year	**18,005,000**	16,435,000

At 30 June 2009, the Company had 18,005,000 unlisted options on issue under the following terms and conditions.

NUMBER	EXPIRY DATE	EXERCISE PRICE
5,000,000	21-Oct-09	$0.155
500,000	30-Nov-09	$0.155
100,000	20-Dec-10	$0.155
250,000	13-May-11	$0.300
1,700,000	31-May-11	$0.350
1,000,000	31-Jul-11	$0.191
700,000	01-Sep-11	$0.350
150,000	01-Oct-11	$0.350
25,000	01-Nov-11	$0.550
400,000	01-Dec-11	$0.550
500,000	01-Dec-11	$0.300
500,000	17-Jan-12	$0.550
130,000	21-Jun-12	$0.600
500,000	15-Nov-12	$0.600
2,300,000	01-Mar-13	$0.300
750,000	01-Mar-13	$0.450
3,000,000	28-Mar-13	$0.750
500,000	02-Dec-13	$0.300

A further 1,900,000 unlisted options with an expiry date of 1 July 2012 and an exercise price of $0.30 were issued in July 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

21. FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company and consolidated entity manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Company and consolidated entity consists of equity attributable to equity holders, comprising issued capital, reserves and retained earnings, is disclosed in note 20.

The board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Company and the consolidated entity will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

(b) Market risk exposures

Market risk is the risk that changes in market prices such as foreign exchange rates, equity prices and interest rates will affect the consolidated entity's income or value of its holdings of financial instruments.

Foreign exchange rate risk

The consolidated entity currently has no significant exposure to foreign exchange rates.

Equity prices

Equity investments held for sale are recorded at their fair value, exposures of which are discussed in note 12.

Interest rate risk

The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

CONSOLIDATED ENTITY

30 JUNE 2009	NOTE	FIXED INTEREST MATURING IN: 1 YEAR OR LESS $	OVER 1 TO 5 YEARS $	FLOATING INTEREST $	NON-INTEREST BEARING $	TOTAL $	WEIGHTED AVERAGE INT. RATE
FINANCIAL ASSETS							
Bank balances	10	209,675	-	-	-	209,695	4.07%
Term deposits		8,540,329	-	-	-	8,540,329	5.20%
Trade and other receivables	11		-	-	352,956	352,956	-
Investments	12	13,324	-	-	-	13, 324	-
FINANCIAL LIABILITIES							
Trade payables and accrued expenses	17		-	-	420,709	420,709	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

COMPANY

30 JUNE 2009	NOTE	FIXED INTEREST MATURING IN: 1 YEAR OR LESS $	OVER 1 TO 5 YEARS $	FLOATING INTEREST $	NON-INTEREST BEARING $	TOTAL $	WEIGHTED AVERAGE INT. RATE
FINANCIAL ASSETS							
Bank balances	10	208,296	-	-	-	208,296	4.06%
Term deposits		3,000,000	-	-	-	3,000,000	6.41%
Trade and other receivables	11		-	-	166,763	166,763	-
Investments	12	13,324	-	-	-	13, 324	-
FINANCIAL LIABILITIES							
Trade payables and accrued expenses	17		-	-	282,986	282,986	-

A change of 100 basis points in interest rates on bank balances and term deposits over the reporting period would have increased / (decreased) the consolidated entity's profit and loss by $122,004 and the company's profit and loss by $94,302. In 2008, the majority of bank deposits were held in the name of the company.

CONSOLIDATED ENTITY

30 JUNE 2008	NOTE	FIXED INTEREST MATURING IN: 1 YEAR OR LESS $	OVER 1 TO 5 YEARS $	FLOATING INTEREST $	NON-INTEREST BEARING $	TOTAL $	WEIGHTED AVERAGE INT. RATE
FINANCIAL ASSETS							
Bank balances	10	1,426,794	-	-	-	1,426,794	6.85%
Term deposits	10	13,404,577	-	-	-	13,404,577	7.35%
Trade and other receivables	11		-	-	1,298,086	1,298,086	-
Investments	12	12,061	-	-	41,541	57,602	-
FINANCIAL LIABILITIES							
Trade payables and accrued expenses	17		-	-	1,164,597	1.164.597	-

(c) Credit risk exposure

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The consolidated entity's exposure to credit risk is not significant and currently arises principally from sundry receivables (see note 11) which represent an insignificant proportion of the consolidate entity's activities. The parent entity's exposure to credit risk arises from its loans to wholly owned subsidiaries.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the notes to the financial statements.

(d) Liquidity risk exposure

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The Board actively monitors the consolidated entity's ability to pay its debts as and when they fall due by regularly reviewing the current and forecast cash position based on the expected future activities.

The consolidated entity has non-derivative financial liabilities which include trade and other payables of $420,709 all of which are due within 60 days.

(e) Net fair values of financial assets and liabilities

The carrying amounts of all financial assets and liabilities approximate the net fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

22. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
Less than one year	**96,737**	63,699	**96,737**	63,699
Between one and five years	**-**	13,200	**-**	13,200
More than five years	**-**	-	**-**	-
	96,737	76,899	**96,737**	76.899

The consolidated entity leases an office under operating lease in Adelaide. The lease runs for a further period of approximately one year, with an option to extend the lease for a further two years. Lease payments are increased every year. The Consolidated entity also leases transportable buildings and equipment for the Nabarlek camp on two separate leases that run for approximately 8 months and 1 year. None of the leases include contingent rentals.

During the financial year ended 30 June 2009, $17,219 was recognised in the income statement in respect of operating leases (2008: $48,773).

23. CAPITAL AND OTHER COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These amounts are subject to renegotiation when application for a mining lease is made and at other times. These amounts are not provided for in the financial report and are payable:

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
Within one year	**1,288,244**	3,103,880	**-**	-
One year or later and no later than five years	**2,415,458**	5,819,775	**-**	-
Later than five years	**-**	-	**-**	-
	3,703,702	8,923,655	**-**	-
Employee compensation commitments				
Key management personnel (consolidated and the Company)				
Commitments under non-cancellable employment contracts not provided for in the financial statements and payable:				
Within one year	-	487,500	-	487,500
One year or later and no later than five years	-	-	-	-
	-	487,500	**-**	487,500

Bank Guarantees

As at 30 June 2009 the Consolidated Entity had a bank guarantee with a face value of $1,800,000 representing a performance bond with the Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources for rehabilitation obligations on the Nabarlek Mineral Lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

24. CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2009	2008
PARENT ENTITY			
Uranium Equities Limited	Australia		
SUBSIDIARIES			
G E Resources Pty Ltd	Australia	100%	100%
Uranium Services Pty Ltd	Australia	100%	100%
Bullion Minerals Pty Ltd	Australia	100%	100%
Queensland Mines Pty Ltd	Australia	100%	100%
PhosEnergy Inc	USA	100%	100%

25. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

2009: There were no acquisitions or disposals of subsidiaries during the year.

2008: Acquisition of Queensland Mines Pty Ltd

On 30 June 2008, the Company acquired all the shares of Queensland Mines Pty Ltd for $316,863 (including costs of acquisition of $220,511) in cash. The company is the owner of the Nabarlek Mineral Lease in the Alligator Rivers uranium province in the Australian Northern Territory. As part of the acquisition, Uranium Equities has assumed all obligations for rehabilitation of the mineral lease.

Acquiree's net assets at the acquisition date

	NOTE	CARRYING AMOUNTS $	ADJUSTMENT$	RECOGNISED VALUES $
Plant and equipment		96,352	-	96,352
Exploration and evaluation assets		-	3,162,040	3,162,040
Provision for rehabilitation		-	(2,941,529)	(2,941,529)
NET IDENTIFIABLE ASSETS AND LIABILITIES		**96,352**	220,511	**316,863**
Goodwill on acquisition				-
Consideration paid				96,352
Costs of acquisition				220,511
NET CASH OUTFLOW				**316,863**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

26. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
Loss for the period	**(6,494,848)**	(7,057,178)	**(6,296,891)**	(7,089,357)
CASH FLOWS FROM OPERATING ACTIVITIES				
Adjustments for:				
Depreciation and amortisation	**94,956**	380,313	**94,956**	173,318
(Profit)/loss on disposal of fixed assets	**7,427**	-	**7,427**	-
Write-off of exploration and evaluation expenditure	**2,593,490**	2,675,175	**-**	500
Impairment loss on equity accounted investee	**1,657,503**	1,451,371	**(55,000)**	1,451,371
Share of equity accounted investee losses	**730,221**	270,622	**-**	270,622
Interest charge / (unwind) on fair value of rehabilitation provision	**97,281**	-	**-**	-
Impairment write-down of investment in controlled entity	**-**	-	**4,708,744**	2,939,833
Impairment of available for sale investments	**8,911**	50,365	**-**	21,538
Foreign currency translation differences for foreign operations	**-**	-	**208,469**	
Equity-settled share-based payment expenses	**759,849**	1,152,226	**759,849**	1,152,226
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	**(545,210)**	(1,077,106)	**(572,445)**	(1,079,949)
Decrease/(increase) in trade and other receivables	**(200,998)**	745,105	**(116,413)**	694,353
Increase/(decrease) in trade creditors and accruals	**(385,687)**	(56,742)	**(502,922)**	71,996
Increase/(decrease) in provisions	**49,399**	50,746	**49,399**	50,746
NET CASH USED IN OPERATING ACTIVITIES	**(1,082,496)**	(337,997)	**(1,142,381)**	(262,854)

27. RELATED PARTIES DISCLOSURES

(a) Key management personnel

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

NON-EXECUTIVE DIRECTORS	
A W Kiernan (Chairman)	
M S Chalmers	(Managing Director until 5th August 2009)
D A Brunt	(Executive Director until 4th June 2009)
T R B Goyder	
A R Bantock	(Resigned 4 August 2008)
EXECUTIVE DIRECTORS	
T M Clifton (Managing Director)	(Non-executive Director until 5th August 2009)
EXECUTIVE	
R A Heinrich (Chief Financial Officer)	(Appointed 1 December 2008)
FORMER EXECUTIVE	
A M Reynolds (Company Secretary)	(Resigned 1 August 2008)

The Company Secretary, R K Hacker, is not considered key management personnel in the 2009 year and is therefore not included in the current year disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

The key management personnel compensation included in 'personnel expenses' (see note 5) are as follows:

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
Short-term employee benefits	600,452	873,944	600,452	873,944
Post-employment benefits	224,400	230,780	224,400	230,780
Termination payment	25,000	-	25,000	-
Equity compensation benefits	634,451	758,224	634,451	758,224
	1,484,303	1,862,948	**1,484,303**	1,862,948

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the Remuneration Report section of the Directors' report.

Loans to key management personnel and their related parties (consolidated)

No loans were made to key management personnel and their related parties.

Other key management personnel transactions with the Company or its controlled entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

			CONSOLIDATED		THE COMPANY	
KEY MANAGEMENT PERSONS	**TRANSACTION**	Note	**2009**	2008	**2009**	2008
A W Kiernan	Legal Fees	(i)	(74,997)	(74,162)	(74,997)	(74,162)
M S Chalmers	Urtek LLC investment	(ii)	(2,442,724)	(2,798,276)	-	(2,798,276)
D A Brunt	Consulting fees	(iii)	(11,100)	-	(11,100)	-
T R B Goyder A W Kiernan	Corporate service fees	(iv)	(49,369)	(6,188)	(49,369)	(6,188)
R K Hacker	Corporate service fees	(v)	-	(17,777)	-	(17,777)

(i) The Company used the legal services of Anthony Kiernan during the course of the financial year. Christensen Vaughan (a law firm of which Anthony Kiernan is a consultant) was also used in the 2008 year.

(ii) Mark Chalmers owns 16.15% of Urtek LLC, a company established to develop technology to extract uranium from phosphoric acid (the "PhosEnergy" process). The Company owns 40% of Urtek LLC and has an agreement to increase its shareholding to 90% through funding of up to a total US$15 million of project development costs.

(iii) David Brunt provided consultancy services to the group from June 2009 onwards.

(iv) The Company procured corporate services such as accounting and company secretarial services under a Corporate Services Agreement with Chalice Gold Mines Limited. Timothy Goyder and Anthony Kiernan are directors of Chalice Gold Mines Limited.

(v) Richard Hacker provided financial management services to the Company from February 2008 to June 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

Amounts payable to key management personnel at reporting date arising from these transactions were as follows:

	CONSOLIDATED		THE COMPANY	
	2009	2008	**2009**	2008
ASSETS AND LIABILITIES ARISING FROM THE ABOVE TRANSACTIONS				
Trade creditors	14,017	6,110	14,017	-
	14,017	6,110	**14,017**	-

Options and rights over equity instruments granted as compensation

Movement in Options

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	HELD AT 1 JULY 2008	GRANTED	EXERCISED	FORFEITED	HELD AT 30 JUNE 2009	VESTED DURING THE YEAR	VESTED AND EXERCISABLE AT 30 JUNE 2009
DIRECTORS							
A W Kiernan	1,000,000	500,000	-	-	1,500,000	250,000	750,000
M S Chalmers	-	269,226	-	-	269,226	269,226	269,226
D A Brunt	-	-	-	-	-	-	-
T R B Goyder	-	-	-	-	-	-	-
T M Clifton	-	-	-	-	-	-	-
FORMER DIRECTOR							
A R Bantock	5,000,000	-	-	-	5,000,000	-	5,000,000
EXECUTIVE							
R A Heinrich	-	500,000	-	-	500,000	-	-
FORMER EXECUTIVES							
A M Reynolds	150,000	-	-	150,000	-	-	-

Mark Chalmers was issued 269,226 options (expiry 31-Jul-11 at an exercise price of $0.191) in Uranium Equities as consideration for Uranium Equities' equity interest in Urtek LLC increasing from 16.13% to 30%. The issue of options was approved by the shareholders at the AGM on 27th November 2008.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDING 30 JUNE 2009

	HELD AT 1 JULY 2007	GRANTED	EXERCISED	FORFEITED	HELD AT 30 JUNE 2008	VESTED DURING THE YEAR	VESTED AND EXERCISABLE AT 30 JUNE 2008
DIRECTORS							
A W Kiernan	500,000	500,000	-	-	1,000,000	-	500,000
M S Chalmers	-	-	-	-	-	-	-
D A Brunt	-	-	-	-	-	-	-
T R B Goyder	-	-	-	-	-	-	-
T M Clifton	-	-	-	-	-	-	-
FORMER DIRECTOR							
A R Bantock	5,000,000	-	-	-	5,000,000	-	5,000,000
EXECUTIVE							
R K Hacker	100,000	-	-	-	100,000	-	100,000
FORMER EXECUTIVES							
L R Curyer	1,000,000	-	-	1,000,000	-	-	-
A M Reynolds	-	150,000	-	-	150,000	-	-

Movements in ordinary shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	HELD AT 1 JULY 2008	ADDITIONS	RECEIVED ON EXERCISE OF OPTIONS	SALES	HELD AT 30 JUNE 2009
DIRECTORS					
A W Kiernan	1,454,068	-	-	-	1,454,068
M S Chalmers	4,013,750	269,226	-	-	4,282,976
D A Brunt	4,013,750	-	-	-	4,013,750
T R B Goyder	20,100,000	200,000	-	-	20,300,000
T M Clifton	6,070,000	-	-	-	6,070,000
FORMER DIRECTOR					
A R Bantock	4,418,500	-	-	2,000,000	2,418,500
EXECUTIVE					
R A Heinrich	-	100,000	-	-	100,000

No ordinary shares were granted to key management personnel during the reporting period as compensation.

Mark Chalmers was issued 269,226 shares in Uranium Equities as consideration for Uranium Equities' equity interest in Urtek LLC increasing from 16.13% to 30%. The issue of shares was approved by the shareholders at the AGM on 27th November 2008.

	HELD AT 1 JULY 2007	ADDITIONS	RECEIVED ON EXERCISE OF OPTIONS	SALES	HELD AT 30 JUNE 2008
DIRECTORS					
A W Kiernan	404,068	1,050,000	-	-	1,454,068
M S Chalmers	4,013,750	-	-	-	4,013,750
D A Brunt	4,013,750	-	-	-	4,013,750
T R B Goyder	18,221,294	1,878,706	-	-	20,100,000
T M Clifton	3,070,000	3,000,000	-	-	6,070,000
FORMER DIRECTOR					
A R Bantock	4,418,500	-	-	-	4,418,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

Movements in partly paid performance shares

The movement during the reporting period in the number of partly paid performance shares in Uranium Equities held, directly, indirectly or beneficially, by key management persons, including their related parties, is as follows:

	HELD AT 1 JULY 2008	ADDITIONS	HELD AT 30 JUNE 2009	VESTED DURING THE YEAR	VESTED AND CONVERTIBLE TO ORDINARY SHARES UPON PAYMENT
DIRECTORS					
T M Clifton	2,870,000	-	2,870,000	-	2,870,000
M S Chalmers	4,663,750	-	4,663,750	-	4,663,750
D A Brunt	4,663,750	-	4,663,750	-	4,663,750

	HELD AT 1 JULY 2007	ADDITIONS	HELD AT 30 JUNE 2008	VESTED DURING THE YEAR	VESTED AND CONVERTIBLE TO ORDINARY SHARES UPON PAYMENT
DIRECTORS					
T M Clifton	2,870,000	-	2,870,000	-	2,870,000
M S Chalmers	4,663,750	-	4,663,750	-	4,663,750
D A Brunt	4,663,750	-	4,663,750	-	4,663,750

(b) Non-key management personnel disclosures
Identity of related parties

The consolidated entity has a related party relationship with its subsidiaries (see note 24) and with its key management personnel (see note 27a).

Other related party transactions
Subsidiaries

Loans are made by the Company to wholly owned subsidiaries. Loans outstanding between the Company and its controlled entities have no fixed date of repayment and are non-interest bearing. At 30 June 2009, such loans to subsidiaries totalled \$14,275,203 (2008: \$8,068,421). These loans have been recognised as an additional investment in subsidiaries (see note 12).

28. SUBSEQUENT EVENTS

Except as mentioned below, in the opinion of the Directors there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

On 6th July 2009 the Uranium Equities entered into an exploration Joint Venture with Cameco Australia Pty Ltd on the Company's Rudall River project in Western Australia (Cameco 60%; UEQ 40%).

On 31st July 2009 the Company announced that its partner (being a major producer of phosphoric acid) in the development of the PhosEnergy Process advised that due to corporate priorities, unrelated to the technology, it wishes to cease the joint development of the technology at this stage. The funding agreement the Company had with a major uranium producer which itself was conditional on successful negotiations with the phosphoric acid producer, is being renegotiated in light of the above.

On 7th September 2009, Solicitors acting for David Brunt, a Director of the Company, wrote to the Company seeking a severance payment arising from the termination of Mr. Brunt's previous employment contract with the Company. The Company is currently seeking legal advice.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Uranium Equities Limited (the Company):

   (a) the financial statements and notes, set out on pages 34 to 67 and the Remuneration report in the Directors' report, set out on pages 23 to 32, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer (or equivalent) and chief financial officer (or equivalent) for the financial year ended 30 June 2009.

Dated at Perth the 9th day of September 2009.

Signed in accordance with a resolution of the Directors:

Anthony W Kiernan
Chairman

AUDIT REPORT

KPMG

Independent auditor's report to the members of Uranium Equities Limited

Report on the financial report

We have audited the accompanying financial report of Uranium Equities Limited (the Company), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of recognised income and expense and cash flow statements for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 28 and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT REPORT

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Uranium Equities Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the remuneration report

We have audited the Remuneration Report included in section 7 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Uranium Equities Limited for the year ended 30 June 2009, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Derek Meates
Partner

Adelaide

9 September 2009

Corporate Governance Report

Uranium Equities is committed to a high level of corporate governance in accordance with the Corporations Act and ASX Listing Rules. The Company's Corporate Governance Statement details the principles and practices adopted and can be found on the Company website (www.uel.com.au).

The following information is supplementary to the Corporate Governance Statement and addresses the principles which are not met:

Directors & Management

Details of each director's qualifications, experience and special responsibilities, their attendance at board meetings and the company secretary's qualifications and experience are disclosed on pages 23 and 24. Information on the principles and structure of remuneration for Executive Directors, Non-executive Directors and senior executives is disclosed in the Remuneration Report (Section 7 of the Director's Report).

During the year the Company undertook reviews of the Board composition and executive management in accordance with sections 1.1 and 1.2 of the Corporate Governance Statement.

Mr Clifton stepped down as Non-executive Chairman on 2nd July 2009 and was replaced as Chairman by Mr Kiernan. Mr Clifton remained on the Board as a Non-executive Director until 5th August 2009 at which time he was appointed Managing Director. This appointment is on an interim basis whilst an executive search continues for a new Managing Director.

Mr Chalmers stepped down as Managing Director of the consolidated entity on 5th August 2009. Mr Chalmers, who remains a non-executive director of the Company, has been appointed Managing Director of the Group's wholly-owned subsidiary PhosEnergy Inc which is developing a technology to extract uranium from phosphoric acid.

Mr Brunt stepped down as Executive Director 4th June 2009. Mr Brunt, who remains as a non-executive director, will continue to provide consultancy services to the Company, as required, in addition to his non-executive director duties.

Mr Kiernan was considered independent at the time of publishing the 2008 Annual Report. During the year, Mr Kiernan has provided extensive consulting and legal services to the Company and is therefore no longer considered to be independent. As a result, there are no independent directors as specified in the ASX Corporate Governance Principles.

The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of an independent non-executive chairman and independent non-executive directors.

Committees

With the exception of the Audit Committee, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of any other separate or special committees, such as a nomination committee or remuneration committee, at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Audit Committee met on two occasions during the year. The external auditors attended both of these meetings. A copy of the Audit Committee Charter can be found on the Company website (www.uel.com.au) under the Corporate Responsibility section.

Risk Management

The Managing Director and Chief Financial Officer have assured the Board that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. Management has also reported to the Board that the Company's management of material business risks is effective.

Corporate Governance Report

ASX Corporate Governance Council Recommendations

		COMPLY	CGS REFERENCE*
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	✓	1.1
1.2	Companies should disclose the process for evaluating the performance of senior executives.	✓	1.1
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	✓	
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE			
2.1	A majority of the Board should be independent directors.	✗	1.2
2.2	The chair should be an independent director.	✗	1.2
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	✓	1.2
2.4	The Board should establish a nomination committee.	✗	1.3
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	✓	1.1
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	✓	
PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the Company' integrity. • the practices necessary to take into account their legal obligations and the reasonable expectations of their Shareholders. • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	✓	2.1 2.2
3.2	Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	✓	2.3
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.	✓	
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING			
4.1	The board should establish an audit committee.	✓	1.3
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members	 ✓ ✗ ✗ ✓	1.3
4.3	The audit committee should have a formal charter.	✓	1.3
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	✓	

CORPORATE GOVERNANCE REPORT

		COMPLY	CGS REFERENCE*
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	✓	3.1
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	✓	
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	✓	3.2
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	✓	
PRINCIPLE 7: RECOGNISE AND MANAGE RISK			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	✓	4.1
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	✓	4.2
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	4.2
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	✓	
PRINCIPLE 8: REMUNERATE FAIRLY & RESPONSIBLY			
8.1	The board should establish a remuneration committee.	✗	1.3
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	✓	5, Rem. Report
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	✓	

* Refer Corporate Governance Statement on the Company's website

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings

Substantial shareholders

The number of shares held by substantial shareholders and their associated interests as at 4 September 2009 were:

SHAREHOLDER	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD %
Lagoon Creek Resources Pty Ltd	24,000,000	12.42
Timothy R B Goyder	20,300,000	10.50

Class of Shares and Voting Rights

At 4 September 2009 there were 2,037 holders of the ordinary shares of the Company.

The voting rights to the ordinary shares set out in the Company's Constitution are:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares -

a) at meetings of members or classes of members each member entitled to vote in person or by proxy or attorney: and

b) on a show of hands every person who is a member has one vote and on a poll every person in person or by proxy or attorney has one vote for each ordinary share held."

Holders of options and performance shares do not have voting rights.

Distribution of equity security holders as at 4 September 2009:

	NUMBER OF EQUITY SECURITY HOLDERS		
CATEGORY	ORDINARY SHARES	UNLISTED SHARE OPTIONS	PARTLY PAID PERFORMANCE SHARES
1 – 1,000	93	-	-
1,001 – 5,000	488	-	-
5,001 – 10,000	441	-	-
10,001 – 100,000	830	8	-
100,001 and over	185	16	3
TOTAL	**2,037**	**24**	**3**

The number of shareholders holding less than a marketable parcel at 4 September 2009 was 354.

ASX Additional Information

TWENTY LARGEST ORDINARY FULLY PAID SHAREHOLDERS AS AT 4 SEPTEMBER 2009

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD %
Lagoon Creek Resources Pty Ltd	24,000,000	12.42
Plato Prospecting Pty Ltd	18,750,000	9.70
ANZ Nominees Limited <Cash Income A/C>	14,174,852	7.33
Resolute (Treasury) Pty Ltd	9,470,000	4.90
Calm Holdings Pty Ltd <Clifton Super Fund A/C>	8,940,000	4.63
HSBC Custody Nominees (Australia) Limited	8,506,196	4.40
NLM Capital Partners II LP	5,000,000	2.59
Mr Mark Stephen Chalmers + Ms Robi Diane Chalmers <M & R Chalmers Family A/C>	4,282,976	2.22
Mr David Andrew Brunt <Brentwood Super Fund A/C>	4,013,750	2.08
Citicorp Nominees Pty Ltd	2,310,276	1.20
National Nominees Ltd	2,203,868	1.14
Trebble Sum Pty Ltd <Trebble Sum A/C>	2,000,000	1.03
Mrs Angela Mary McDonald & Mr Michael Walsh McDonald <M & A McDonald Super Fund A/C>	1,952,500	1.01
Define Consulting Pty Ltd <The Define Consulting A/C>	1,818,500	0.94
Twynam Agricultural Group Pty Ltd	1,561,717	0.81
Ginostra Capital Pty Ltd <Pullini Investment A/C>	1,350,000	0.70
Plato Prospecting Pty Ltd <TRB Goyder Super Fund A/C>	1,350,000	0.70
Manotel Pty Ltd	1,200,000	0.62
Penally Management Limited	1,100,000	0.57
Central Manhattan Pty Ltd	1,000,000	0.52
TOTAL	**114,984,635**	**59.49**

Notes

ANNUAL GENERAL MEETING

URANIUM EQUITIES LIMITED
ABN 74 009 799 553

ANNUAL GENERAL MEETING

Time: 2.00 pm ACDT

Date: Thursday 19 November 2009

Place: Bullion Room
Medina Grand Adelaide Treasury
Cnr King William Street and Flinders Street
Adelaide, South Australia

Uranium Equities Limited
ABN 74 009 799 553

Level 6 West, 50 Grenfell Street
Adelaide 5000
South Australia

P: +61 8 8110 0700
F: +61 8 8110 0777

info@uel.com.au
www.uel.com.au