

9 November 2011

Uranium Equities Limited
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Dear Shareholder

Non-Renounceable Rights Issue – Notice to Shareholders

This letter is to notify you on 3 November 2011, Uranium Equities Limited (**Company**) announced a 1 for 5 non-renounceable pro rata entitlements issue of up to approximately 42.05 million new shares (**New Shares**) at an issue price of \$0.05 for each New Share to raise approximately \$2.1 million (**Rights Issue**).

Each eligible shareholder will be entitled to subscribe for 1 New Share for every 5 Shares held at 5:00pm (ACDT) on Thursday 17 November 2011 (**Record Date**). On the basis that no option holders of the Company exercise their options before the Record Date, a maximum of 42,052,160 New Shares will be offered under the Rights Issue.

Underwriting of the Rights Issue

The Rights Issue is fully underwritten by Patersons Securities Limited (**Patersons**). Patersons will receive an underwriting fee equal to 5% of the amount raised under the Rights Issue and a lead manager fee of \$30,000.

Eligibility to the Rights Issue

The Rights Issue is only open to shareholders of the Company who are registered as shareholders at 5.00pm (ACDT) on the Record Date with registered addresses in Australia or New Zealand (**Eligible Shareholders**).

Shareholders with registered addresses outside Australia and New Zealand are considered ineligible shareholders (**Ineligible Foreign Shareholders**) and cannot participate in the Rights Issue.

The Company has determined that it is not practicable for Ineligible Foreign Shareholders to participate in the Rights Issue having regard to the number of Ineligible Foreign Shareholders, the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements of those jurisdictions.

Purpose of the Rights Issue

The net proceeds from the Rights Issue, together with existing cash reserves, will be used to further progress our key uranium projects in the Northern Territory, South Australia and Western Australia and for general working capital requirements. Our portfolio of near mine and greenfields projects includes Exploration Licences (and Applications) covering an area of over 24,000km², representing a number of different uranium deposit styles and targets. In particular, the Company will be focussing funds raised to the following key projects:

- **West Arnhem Joint Venture (Cameco (Managers) 60%: UEQ 40%) (NT)** – The project area surrounds the Nabarlek Mineral Lease. The Company has reported significant uranium intercepts at the U40 and Coopers Prospects.
- **Nabarlek Mineral Lease (UEQ 100%) (NT)** - Rare near-mine exploration opportunity surrounding the historical Nabarlek Uranium Deposit.

- **Frome Basin (SA)** – A 2,397km² strategic ground position in a highly prospective uranium province which hosts the Beverley and Four Mile deposits. The ground position comprises the West Lake Frome Joint Venture, a farm-in agreement with Cauldron Energy Limited (ASX: CXU), and three UEQ 100%-owned exploration licences.
- **Rudall River (Cameco 60%: UEQ 40%) (WA)** - Three exploration licence applications covering 162km², the western-most of which adjoins the Cameco/Mitsubishi Kintyre Deposit.
- **Marla Project (UEQ 100%) (SA)** - 6,858 km² of exploration licences at the northern margin of the Gawler Craton which the Company considers prospective for IOCGU and Kazakhstan-style sandstone hosted uranium deposits.

Offer Document and Rights Issue Details

The Rights Issue will be made to Eligible Shareholders without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (**Corporations Act**)

Details of the Rights Issue including the rights attaching to the New Shares, together with all other relevant information relating to the Rights Issue are set out in the offer document which was lodged with the Australian Securities Exchange (**ASX**) on 3 November 2011 (**Offer Document**). The Offer Document is currently available from the Company's website, www.uel.com.au, or the ASX website, www.asx.com.au, by searching under the Company's ASX code "UEQ".

A copy of the Offer Document together with the Entitlement and Acceptance Form will be sent to shareholders on or about 22 November 2011. The Offer Document will be sent to Ineligible Foreign Shareholders for information purposes only.

The Rights Issue is non-renounceable which means that the entitlements to participate in the Rights Issue are not transferable and cannot be traded on the ASX or any other exchange or privately transferred. So, Eligible Shareholders will not receive any value if they do not take up their Entitlements.

The New Shares issued pursuant to the Rights Issue will rank equally in all respect with existing fully paid ordinary shares on issue in the Company. Fractional entitlements will be rounded up to the nearest whole Share.

Key Dates

The proposed timetable for the Rights Issue is as follows:

Event	Date
Announcement of the Offer	Thursday, 3 November 2011
Cleansing Notice, Appendix 3B and Offer Document lodged with ASX	
"Ex" date for the Offer (being the date that Shares start trading without the Entitlements to participate in the Offer)	Friday, 11 November 2011



Record Date to determine Entitlements under the Offer	Thursday, 17 November 2011
Opening Date of Offer	Tuesday, 22 November 2011
Despatch of the Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	
Closing Date for acceptances under the Offer	Tuesday, 6 December 2011
ASX notified of under subscriptions under the Offer	Friday, 9 December 2011
Allotment of the New Shares	Monday, 12 December 2011
Trading of New Shares expected to commence	Tuesday, 13 December 2011
Mailing of holding statements for the New Shares	Thursday, 15 December 2011

The above dates are indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules, to extend the closing date or to withdraw the Rights Issue without prior notice.

Effect on Capital Structure

The table below sets out the impact of the Rights Issue on the capital structure of the Company:

Detail	Number of shares
Total issued capital at the date of announcement of the Rights Issue	210,260,801
Maximum Number of New Shares offered under the Rights Issue	42,052,160
Total issued capital at completion of the Rights Issue	252,312,961

*Assuming full subscription under the Rights Issue and no options are exercised prior to the Record Date.

You should consider the Offer Document carefully in deciding on whether to participate in the Rights Issue, and if in any doubt, consult with your professional adviser.

If you have any queries concerning the Rights Issue please contact the Company Secretary on +61 (0)8 8110 0700.

Yours sincerely

Anthony Kiernan
Chairman
Uranium Equities Limited