



**U R A N I U M**  
E Q U I T I E S

**NABARLEK PROJECT  
(EL10176 & EL24371)**

**COMBINED REPORTING NO: GR 062**

**Annual Technical Report  
for the period 02/09/13 – 01/09/14**

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## NABARLEK PROJECT, WEST ARNHAM LAND, NORTHERN TERRITORY

### ABSTRACT

The Nabarlek Project is located in the western portion of the Arnhem Land Aboriginal Reserve, 28km east of the Gunbalanya (Oenpelli) Aboriginal Community and approximately 300km east of Darwin.

Nabarlek consists of two exploration licences, EL10176 and EL24371, with a total area of 383.8km<sup>2</sup>. Initially granted to Cameco Australia Pty Ltd (Cameco), the project is currently operated by Uranium Equities Limited (UEL) who is earning a 100% interest in the tenement.

Investigations during the year, consisted predominantly of an RC drilling campaign (23 drillholes for 2998m) testing the Coopers, Coopers South, U39 and U40 Prospect areas. The most significant result from the drilling was encountered at the U40 Prospect where drillhole NAR7520 produced an intercept of **7m @ 0.27% U<sub>3</sub>O<sub>8</sub> from 46m**.

In addition, minor field reconnaissance was conducted throughout the project area.

The Company is planning to conduct spectral analysis of all the drill chips from the recent drill program. When combined and interpreted with the multi-element analyses, the data will be used to map and characterise mineral assemblages and alteration halos associated with uranium mineralisation in the ARUF. The aim will be to quantify broad-scale zonation patterns which may provide vectors to mineralisation, and to identify proximal alteration assemblages where drilling may have just missed mineralisation.

In addition, plans include a regional 'Mineral Systems Analysis' of the Alligator Rivers Uranium Province. Key outcomes will endeavour to produce a predictive metallogenic model for the Province, based on interpretation of architecture and geodynamic evolution, define regional-scale targets and if appropriate, high priority focused targets.

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# 1 INTRODUCTION

## 1.1 Location

The Nabarlek Project is located in the western portion of the Arnhem Land Aboriginal Reserve, 40km east of the Gunbalanya (Oenpelli) Aboriginal Community and approximately 300km east of Darwin. The Project area lies within the prospective Alligator Rivers Uranium Field and surrounds the Nabarlek Mineral Lease (Figure 1).

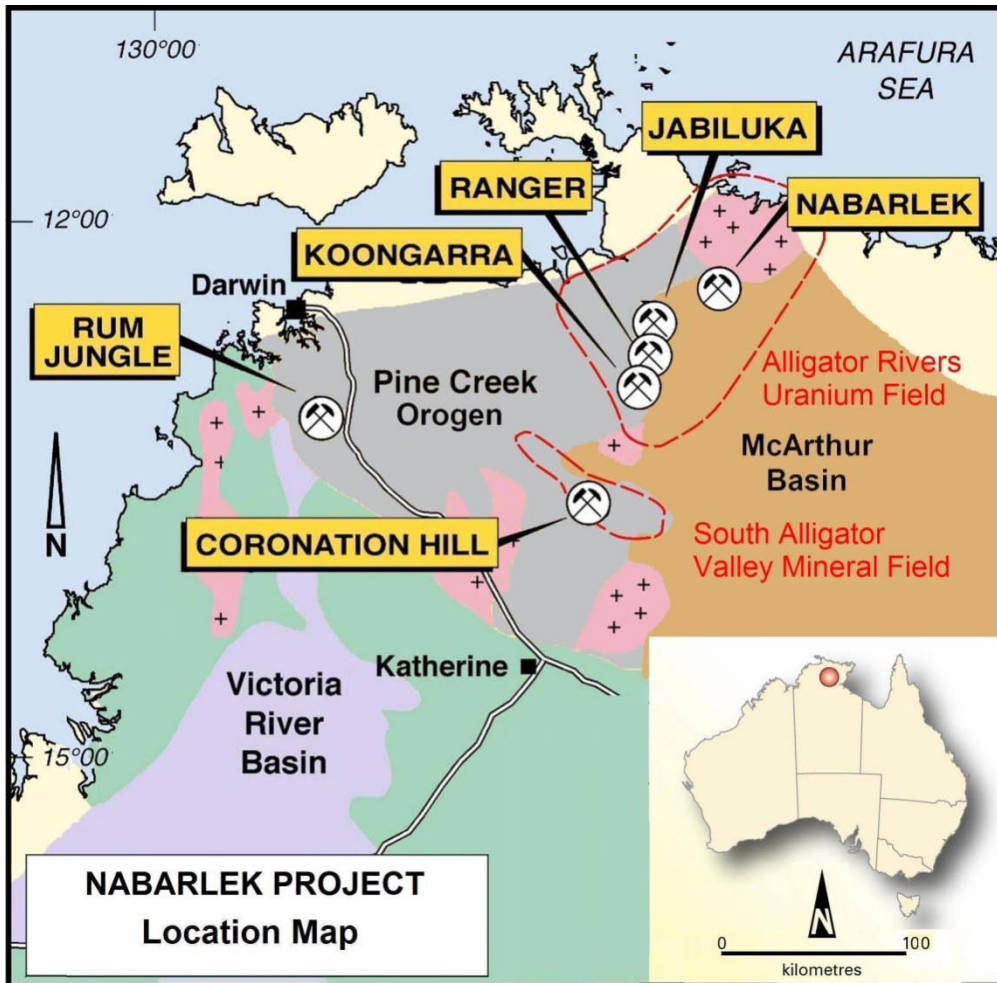


Figure 1: Location Map

The tenements contain several outliers of dissected sandstone Arnhem Land Plateau and escarpment country. The remainder of the project consists of gently undulating sandy plains covered by open savannah woodland with patches of open grassland and low shrubs. Thin remnants of weathered and lateritised flat-lying Cretaceous sediments form tablelands in the north-eastern portion.

The main drainage systems are Birraduk Creek and Cooper Creek, which flow to the northwest.



## 1.2 Tenement Status

The Nabarlek Project was originally comprised of three exploration licences (EL10176, EL24371 and EL24372) which were granted to Cameco Australia Pty Ltd on 1<sup>st</sup> September 2004 for an initial period of six years. The original area of grant was 423km<sup>2</sup>.

In December 2006 a Joint Venture agreement was signed between Cameco Australia Pty Ltd and Uranium Equities Limited (UEL) allowing UEL to earn a 40% interest in the three exploration licences. To participate in the Joint Venture, UEL agreed to sole-fund exploration expenditure for a number of years (through a wholly-owned subsidiary GE Resources Pty Ltd) to earn its 40% stake.

On 31<sup>st</sup> August 2008, 9 blocks of the original 134 blocks, were relinquished from EL10176 and EL24372 was surrendered in September 2008. The Project now consists of the two remaining licences, EL10176 and EL24371, for a total area of 383.8km<sup>2</sup> (Figure 2).

Late in 2012, UEL finalised an agreement to acquire Cameco Australia remaining 60% interest in the project. This acquisition gives UEL the opportunity to secure 100% ownership and full exploration management of a contiguous land holding in the heart of the Alligator Rivers Uranium Field. Uranium Equities has become the Manager and Operator of the Project.

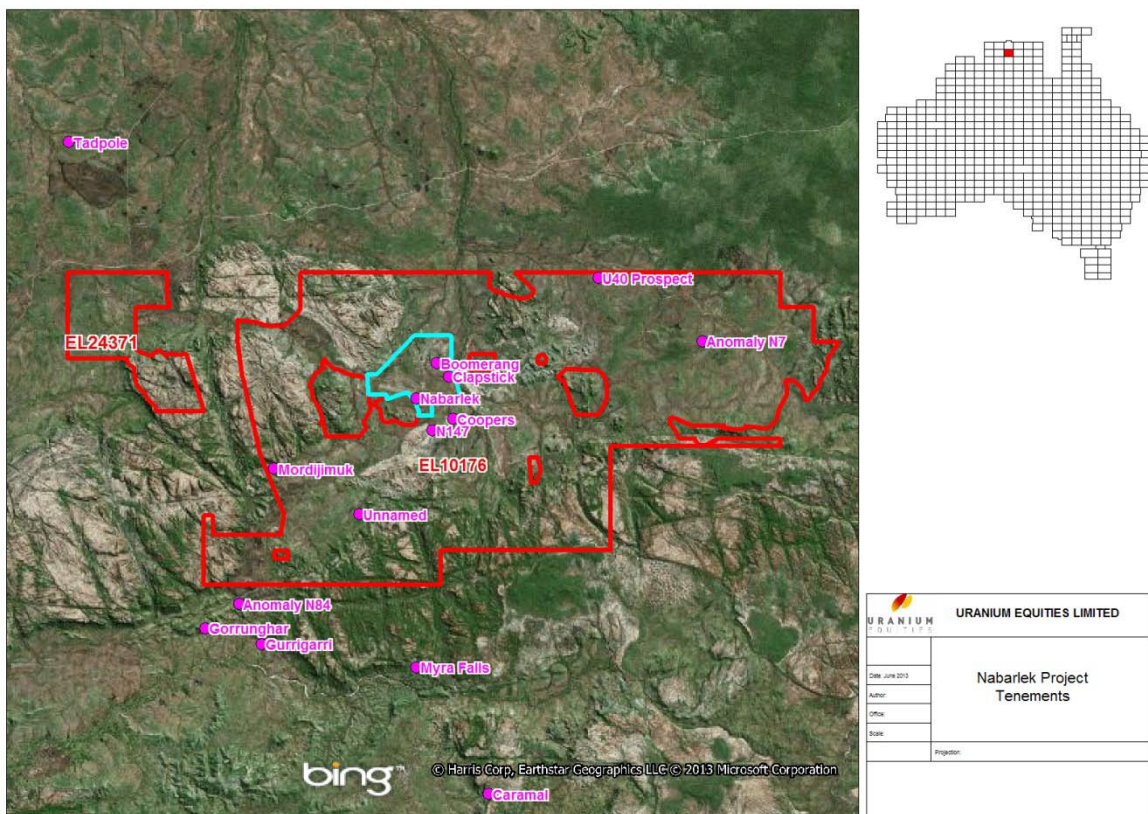


Figure 2: Nabarlek Project Current Ground Position



### 1.3 Aboriginal Heritage

The project area lies within the Arnhem Land Aboriginal Reserve and is therefore freehold Aboriginal Land. All personnel entering the project area are required to obtain the appropriate Northern Land Council (NLC) permit.

Permission to explore over Aboriginal Freehold land is gained via Exploration Agreements with the relevant Traditional Owners under the Commonwealth *Aboriginal Land Rights (NT) Act*.

Legislation requires that all sacred, cultural and heritage sites are initially documented by the Traditional Owners and NLC Anthropologists and Archaeologists prior to exploration commencing. This information is then utilised to determine 'No-Go' areas.

Uranium Equities Limited liaises with the Traditional Owners each year to discuss future exploration activities and have developed a strong professional relationship, which includes employment in exploration and rehabilitation activities.

### 1.4 Access

Access to the site is via the unsealed and seasonal Oenpelli – Maningrida road from Cahill's Crossing at the East Alligator River to the 'Three Ways' intersection to the Coburg Peninsula. From there, access is via the old Nabarlek Mine access road to the Nabarlek Mineral Lease.

The Nabarlek Mineral Lease is central to the Project area with reasonable dry season access along 4WD bush tracks throughout the project area.

Access to the Nabarlek site is also possible using a light plane direct from Darwin, to land on the all-weather sealed airstrip at the Nabarlek Mineral Lease. Uranium Equities Limited has established a semi-permanent field camp adjacent to the airstrip (Figure 3).



**Figure 3: Aerial View of Nabarlek Camp and Airstrip**



## **2 PROJECT GEOLOGY**

### **2.1 Conceptual Model**

The primary focus of exploration on Nabarlek is for the discovery of a high grade Nabarlek-style uranium deposit. Nabarlek is an unconformity-associated uranium deposit whereby mineralisation is concentrated within structural zones, spatially associated with a regional unconformity between flat-lying siliciclastic basinal sediments and the underlying metamorphic basement rocks.

The highly prospective nature of the Alligator Rivers Region for this type of mineralisation is demonstrated by the presence of economic uranium deposits not only at Nabarlek, but also at Ranger, Jabiluka and Koongarra.

In addition to uranium, significant gold, platinum and palladium resources are present at existing uranium occurrences within the Alligator Rivers Uranium Field (Ranger, Jabiluka, Koongarra and Coronation Hill/South Alligator Valley-style deposits) suggesting that economic mineralisation of gold and PGE's (Platinum Group Elements) associated with economic or sub-economic uranium may also be present within the project area.

### **2.2 Geological Setting**

The Nabarlek Project area is located within the eastern margin of the Neoarchaeoan and Palaeoproterozoic Pine Creek Orogen in a region that has been subdivided into the Nimbuwah Domain of the Alligator Rivers region.

The oldest rocks are a sequence of Early-Proterozoic metamorphosed sediments (semi-pelites), schists and amphibolites termed the Myra Falls Metamorphics. This unit is considered to be stratigraphically equivalent to the Cahill Formation in the western part of the Alligator Rivers Uranium Field and forms the host lithologies of the Nabarlek Deposit.

The Kombolgie Subgroup is the basal unit of the late Palaeo – Mesoproterozoic Katherine River Group of the McArthur Basin. The subgroup consists of sandstone units called the Mamadawerre Sandstone, Gumarrirrbang Sandstone, and Marlgowa Sandstone, which are divided by thin basaltic units called the Nungbalgarri Volcanics, and Gilruth Volcanics. Mamadawerre Sandstone unconformably overlies the basement sequences described above, forming an extensive inaccessible plateau.

The Oenpelli Dolerite is the most pervasive mafic intrusive suite to affect the Alligator Rivers region and is the youngest Proterozoic rock unit exposed. It intrudes various units Neoarchaeoan and Palaeoproterozoic units, and the Kombolgie Subgroup, forming magnetic sills, dykes, lopoliths, and laccoliths.

These intrusive events had a pronounced thermal effect within the Kombolgie Subgroup, with the promotion of fluid flow and aquifer or aquitard modification. Localised effects in the sandstone include silicification, desilicification, chloritisation, sericitisation, and pyrophyllite alteration. A characteristic mineral assemblage of prehnite-pumpellyite-epidote has formed in the quartzofeldspathic basement rocks adjacent to the intrusions.

Mineralisation in the Nabarlek region is believed to be at least partially controlled by the structural regime through the area. Deformation since deposition of the Katherine River Group includes transpressional movement along steep regional-scale strike-slip faults and possibly some shallow thrusting. These regional faults follow a pattern of predominantly north – northwest trends.





### **3 PREVIOUS INVESTIGATIONS**

#### **3.1 Exploration by Queensland Mines Pty Ltd: 1969 – 1998**

The area was previously held by Queensland Mines Pty Ltd (QMPL) with investigations consisting of airborne radiometric and magnetic surveys, regional geochemical programs, ground total count radiometric surveys, reconnaissance exploration and mapping with some facilitated by surveyed grids.

The Nabarlek Deposit was discovered by radiometric survey and ground follow-up in June 1970. QMPL's exploration was curtailed in early 1973 when the Federal Government imposed moratorium on exploration pending a resolution of the issue of Aboriginal Land Rights. No further exploration work was completed until 1988.

EL2508 was granted to QMPL on 29<sup>th</sup> June 1988 and eventually expired on 28<sup>th</sup> June 1998. During QMPL's tenure they completed airborne geophysical surveys, geological mapping, soil sampling, ground radiometrics, radon track etch surveying, trenches, rotary air blast (RAB) drilling, percussion and diamond drilling.

Significant, but sub-economic uranium mineralisation in strong to moderately altered zones was intersected at a number of prospects. Many other anomalies were discovered but were discounted.

#### **3.2 Exploration by AFMEX, Cameco, SAE Australia JV: 1998 – 2003**

In 1998, four months prior to expiry of EL2508, a joint venture partnership consisting of 25% Afmeco Mining and Exploration Pty Ltd (AFMEX) as the operating partner, 50% Cameco and 25% SAE Australia Pty Ltd acquired the tenement from QMPL. Exploration Retention Licences (ERLs) were lodged over those portions of EL2508 that were considered the most prospective and the remainder was permitted to expire. On 20<sup>th</sup> May 1999, the joint venture partners were granted ERL150 – 152.

Investigations consisted predominantly of reverse circulation and diamond drilling programs at some of the more advanced prospects including SMLB, N147 and U65 Prospects. While significant alteration and some minor zones of mineralisation were encountered, all three exploration retention licences were surrendered.

### **4 EXPLORATION BY CAMECO AND URANIUM EQUITIES LTD**

Cameco lodged an application for EL10176, covering the former EL2508 and ERL150 – 152 in June 1999. Grant of title was given on 1<sup>st</sup> September 2004, as three separate tenements, EL10176 the largest central portion, and two smaller titles (EL24371 and EL24372) separated by areas of non-consent land.

#### **4.1 2004 Field Season**

Investigations during 2004 consisted of various data compilations and reviews of historical data, but included minor field reconnaissance, sampling and geological mapping.

Full details were documented in Potter (2005).

#### **4.2 2005 Field Season**

In 2005, an airborne hyperspectral survey and a TEMPEST survey were flown. In addition, airborne radiometric and magnetic survey of the S27 and N84 Prospect areas was completed. The TEMPEST survey identified a number of targets that were highlighted for further work.

Full details were documented in Doyle et al (2006).



### 4.3 2006 Field Season

Investigations during 2006 consisted of a reverse circulation and diamond drilling program and a regional TEMPEST survey over the western, central and eastern portions of the project area.

A trial SAM (sub-audio magnetic) survey by GAP Geophysics Australia Pty Ltd (GAP) was completed to the southeast of the N147 Prospect. This survey was aimed at determining whether extensions of the Nabarlek Shear could be imaged below sandstone towards the south-east of the prospect. The results of the SAM survey were inconclusive.

Full details were documented in Otto et al (2007).

### 4.4 2007 Field Season

In 2007, Uranium Equities participated in the exploration program.

Investigations during the field season consisted of helicopter supported diamond drilling, RC drilling with diamond tails and aircore drilling. Regional outcrop sampling was also completed.

Drilling at the N147 Prospect intersected dolerite-hosted uranium mineralisation. Further work is required at the prospect to better define the outline of the mineralisation, and to test for further potential of dolerite related uranium mineralisation along the Gabo Fault Trend.

**Table 1: 2007 Best Drilling Results**

Drillhole	MGA_E	MGA_N	Azi	Dec	TD	Best Result
NARD6016	318355	8637581	225	-60	200.3	22m @ 0.12% U <sub>3</sub> O <sub>8</sub> from 67m
NARD6017	318397	8637621	225	-60	242.7	21.1m @ 0.37% U <sub>3</sub> O <sub>8</sub> from 115.1m

The regional AC drilling did not intersect any highly anomalous uranium results but outlined anomalous uranium and base metal at the N23, U65 North and Contact Prospect areas, providing impetus for further exploration in the areas.

Full details of the exploration investigations were documented in Otto et al (2008).

### 4.5 2008 Field Season

In 2008, the exploration program consisted predominantly of an extensive systematic drilling campaign targeting the extent of the north northwest trending Nabarlek Structural Zone. A total of 85 reverse circulation holes for 7475m and 532 aircore drillholes for 8101m were completed.

A detailed airborne radiometric and magnetic survey completed at the U40/42 Prospect area for 321 line kilometres and a test VTEM survey by Fugro of 35.8 line kilometres.

Further drilling at the N147 Prospect produced significant intercepts and the first anomalous geochemical uranium results were outlined from shallow aircore traverses at Coopers and Coopers South Prospects.

**Table 2: 2008 Best Drilling Results**

Drillhole	MGA_E	MGA_N	Azi	Dec	TD	Best Result
NAR6318	318288	8637565	225	-60	156	34m @ 0.12% U <sub>3</sub> O <sub>8</sub> from 109m

Full details were documented in Otto and Mathieson (2009).



## 4.6 2009 Field Season

The exploration program for 2009 consisted of drilling of 417 aircore drillholes for 7,617m. An airborne radiometric and magnetic survey was completed at the N84 and N23 Prospects and a Sub Audio Magnetic (SAM) survey at the N147 Prospect. Minor reconnaissance mapping and sampling was also completed.

Full details were documented in Otto and Mathieson (2010).

## 4.7 2010 Field Season

The exploration program for 2010 included drilling of 42 reverse circulation drillholes for 6,158m, 91 aircore drillholes for 1,394m and 4 diamond drillholes for 486.7m. In addition, a gravity survey that consisted of 959 stations and regional sampling and reconnaissance mapping programs were completed.

Reverse circulation drilling was focussed on follow up of geochemical and structural targets throughout the project area. Significant results were encountered at the Coopers and U40 Prospects.

**Table 3: 2010 Best RC Drilling Results**

Drillhole	MGA_E	MGA_N	Azi	Dec	TD	Best Result
NAR7374	320036	8638041	135	-60	154	6m @ 0.33% U <sub>3</sub> O <sub>8</sub> from 23m
NAR7386	319980	8637901	135	-60	142	23m @ 0.20% U <sub>3</sub> O <sub>8</sub> from 40m
NAR7389	327140	8644994	090	-60	220	5m @ 1.20% U <sub>3</sub> O <sub>8</sub> from 78m

Diamond drilling was conducted at the U40 Prospect to follow up on mineralisation intersected in NAR7389.

**Table 4: 2010 Best Diamond Drilling Results**

Drillhole	MGA_E	MGA_N	Azi	Dec	TD	Best Result
NAD7492	327141	8644994	090	-60	124	6.8m @ 6.71% U <sub>3</sub> O <sub>8</sub> from 75m
NAD7493	327222	8644998	270	-60	110.6	4.8m @ 1.85% U <sub>3</sub> O <sub>8</sub> from 80.4m

The ground gravity surveys were found to be influenced primarily by variations in overburden thickness and composition. This helped distinguish sub-cropping structure as such features undergo preferential weathering.

Full details and discussion on the work program can be found in the Annual Technical Report (Urbatsch and Mathieson, 2011).

## 4.8 2011 Field Season

The exploration program for 2011 included diamond drilling and a ground gravity survey focussed on the Quarry Fault Zone.

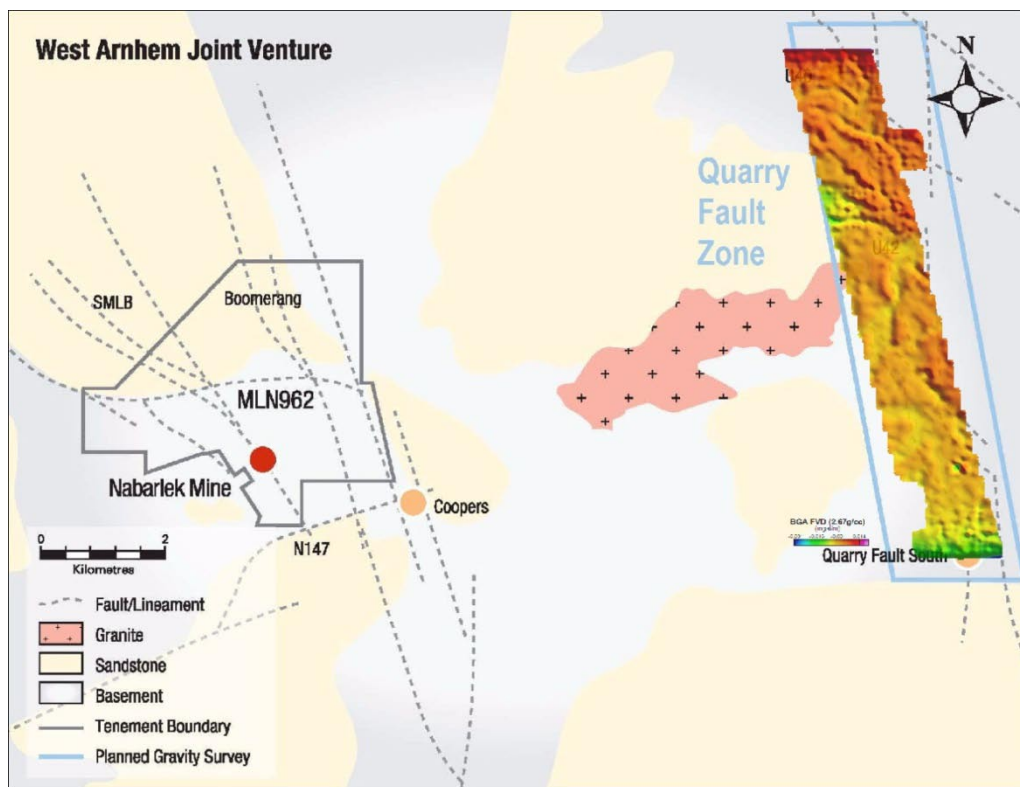
Drilling at the Coopers Prospect investigated the nature of mineralisation, basement lithology and structures intercepted by 2010 reverse circulation drilling. The drilling program at the U40 Prospect was designed to determine the size, geometry and controls of high grade mineralisation intercepted by 2010 RC and diamond drilling.

Two holes were drilled at Coopers and 11 holes were drilled at the U40 Prospect for a total of 1991.7m.

**Table 5: 2011 Best Diamond Drilling Results**

Drillhole	MGA_E	MGA_N	Azi	Dec	TD	Best Result
NAD7496	319976	8637909	135	-60	114.4	20m @ 0.22% U <sub>3</sub> O <sub>8</sub> from 40.5m
NAD7498	327219	8645032	210	-60	231.5	2m @ 0.05% U <sub>3</sub> O <sub>8</sub> from 25.5m

The ground gravity program was completed along the entire length of the Quarry Fault Zone (Figure 4). A preliminary structural interpretation of the various geophysical products generated from the survey has identified a series of northwest trending structures which cross-cut the northerly trending structures sympathetic to the Quarry Fault Zone. Combined with previously acquired aeromagnetic datasets, several other potential targets analogous to U40 Prospect have been identified.



**Figure 4: Ground Gravity Survey**

Details can be found in the Annual Technical Report by Kuldkepp et al (2012).

#### **4.9 2012 – 2013**

No field work was completed however office based research and targeting continued.

Investigations included reprocessing and interpretation of geophysical datasets and a review of historical geological data to generate potential exploration targets in the region.

Aurel Consulting was commissioned with constructing 3D models of key target areas in the Nabarlek region. A completion report has been received which includes 3D models of the Nabarlek ML region including SMLB, Coopers, Coopers South and N147 Prospects areas, plus separate models for the U40 – U42 Prospect areas.

Details can be found in the Annual Technical Report by Williamson (2014).

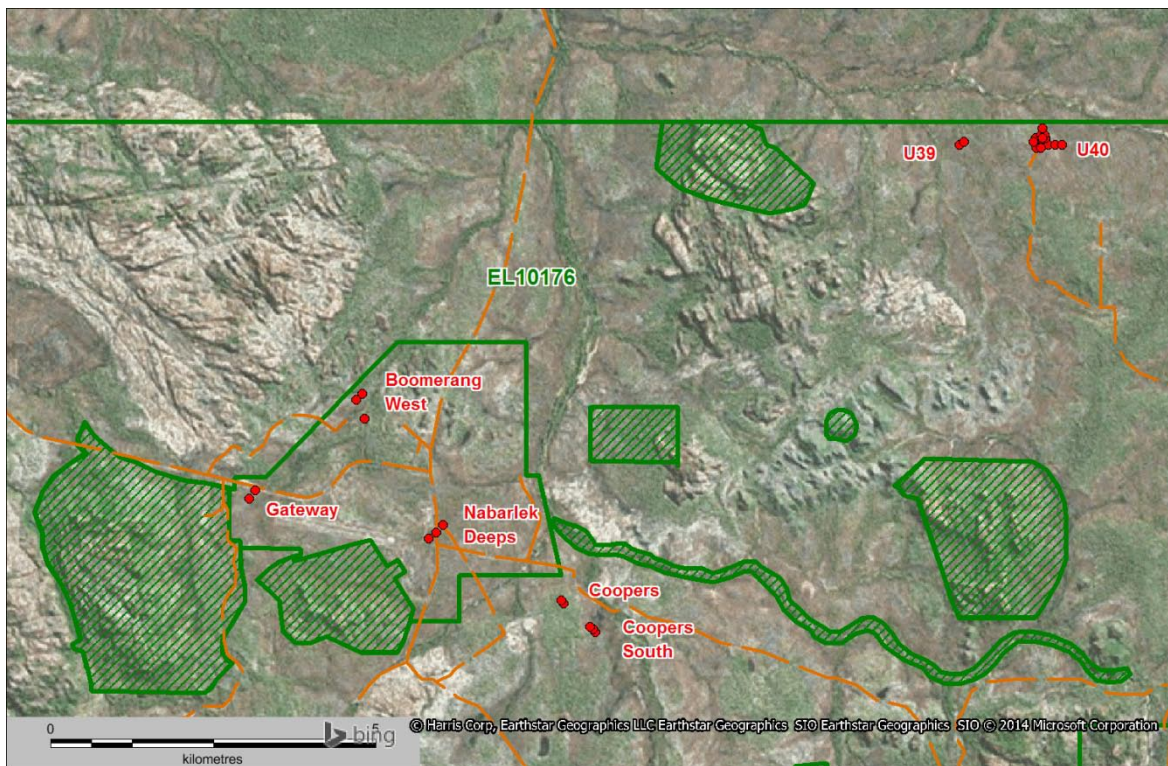
## 5. WORK COMPLETED DURING THE CURRENT REPORTING PERIOD

Work completed in the current reporting period includes;

- An RC drilling program completing 23 drillholes for 2998m examining priority target areas
- Field reconnaissance examining potential future targets

### 5.1 RC Drilling Program

The RC drilling program was undertaken with contractors Profile Drilling completing a total of 23 RC drillholes (NAR7509 – NAR7531) for 2998m completed on EL10176. Drilling examined the Coopers, Coopers South, U39 and U40 Prospect areas (Figure 5).



**Figure 5: RC Drilling Locations**

Initially drilling focussed on the Coopers and Coopers South Targets which have an interpreted geological setting comparable and along strike from the N147 Prospect.

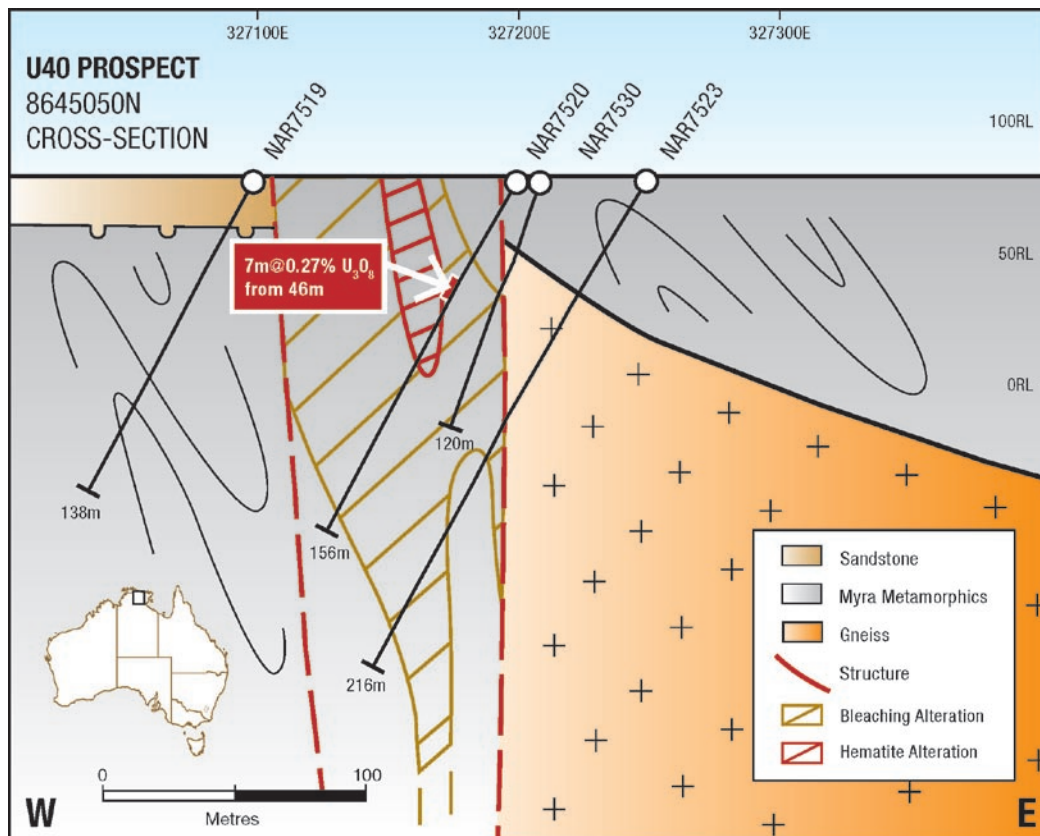
At the Coopers Prospect, an interpreted faulted offset extension to the known mineralisation was tested but did not reveal any further mineralisation.

The Coopers South Prospect has not previously been tested by RC drilling and consists of a large uranium geochemical regolith anomaly. Three RC drillholes were completed in a traverse across the peak of the anomalism. All three drillholes intersected dolerite lithologies before drilling into basement. Low-level uranium anomalism was encountered.

Investigations in recent years had been focussed on an attempt to understand and expand on the significant uranium intercept drilled in 2010 at the U40 Prospect. In comparison, the current program has attempted to gain a better understanding of the overall geological setting and the mineralisation potential of the region.

Drilling revealed that the U40 Prospect is a significant north – south trending structural zone located along the western margin of a massive subcropping gneiss. Basement sequences within the structural zone exhibit various strong – intense alteration zones (Figure 6). To the south of the previous high grade intercept, the sequence is associated with cross-faulting. All seems to indicate variable redox conditions in the area which can produce the trap sites for mineralisation.

The clarification and recognition of the geological setting will greatly assist with targeting similar prospects in the region. It is believed that the conditions suitable for formation of significant mineralisation may be present where a similar setting exists elsewhere within the Quarry Fault Zone.



**Figure 6: U40 Cross-section**

Reverse circulation bulk samples were collected on 1m intervals and set out in a regular manner at the drill site for geological logging and sampling. As part of this process, sample quality, wet/dry and recoveries are logged and recorded. All drillholes were geologically logged and collar locations (including RL) for all holes were surveyed by using a standard hand-held GPS.

Downhole surveys were completed using a Camteq Proshot tool (Serial No: 7419) that was run down the drillhole to stainless steel rod located immediately behind the hammer. Surveys were taken at ~60m intervals.

Initially 4m composite spear samples were collected from the RC bulk bags for a preliminary field analysis utilising a hand-held portable Niton XL3t XRF Analyser (Serial No: 30344). The XRF Analyser does not replace traditional laboratory-based analysis; however it provides an effective screening tool for selecting samples for traditional analysis. A total of 881 XRF readings were collected.

Field XRF results using a 100ppm U<sub>3</sub>O<sub>8</sub> cut-off are summarised below.

**Table 6: 2014 Best XRF Results**

Drillhole	MGA_E	MGA_N	Azi	Dec	TD	Best Result
NAR7510	320331	8637507	135	-60	84	10m @ 217ppm U <sub>3</sub> O <sub>8</sub> from 35m
NAR7514	327119	8644952	268	-60	156	8m @ 297ppm U <sub>3</sub> O <sub>8</sub> from 92m
NAR7520	327201	8645048	268	-60	156	7m @ 1781ppm U <sub>3</sub> O <sub>8</sub> from 46m
NAR7527	327117	8644900	268	-60	144	6m @ 935ppm U <sub>3</sub> O <sub>8</sub> from 19m
NAR7528	327188	8644898	268	-60	186	12m @ 509ppm U <sub>3</sub> O <sub>8</sub> from 80m

Based on the outcome of the field XRF analysis and field scintillometer readings, selected intervals were riffle split in the field from the initial bulk sample to produce a ~3kg sub-sample which was forwarded to NTEL (Darwin) for analysis. A total of 62 samples were submitted to be assayed for Ag, As, Bi, Co, Cu, Ni, Pb, Th, U and Zn by ICPMS following a 4 acid digest. Significant results include;

**Table 7: 2014 Best RC Drilling Results**

Drillhole	MGA_E	MGA_N	Azi	Dec	TD	Best Result
NAR7520	327201	8645048	268	-60	156	7m @ 0.27% U <sub>3</sub> O <sub>8</sub> from 46m
NAR7527	327117	8644900	268	-60	144	6m @ 0.13% U <sub>3</sub> O <sub>8</sub> from 19m
NAR7528	327188	8644898	268	-60	186	9m @ 0.06% U <sub>3</sub> O <sub>8</sub> from 79m

In addition, a total of 65 4m composite samples collected during the drilling program were submitted to NTEL (Intertek) Darwin for sample prep before being sent to Intertek (Adelaide) for multi-element analysis by 4A/OM20, (four acid digest with a 60 element ICPOES or ICPMS scan) and 50g Fire Assay for Au, Pt and Pd. Sampled intervals were chosen to validate anomalous preliminary field XRF results, test for possible REE mineralisation and to quantify alteration assemblages..

Results include;

- The peak uranium result of 3830ppm U<sub>3</sub>O<sub>8</sub> corresponds with the significant intercept in NAR7520 (48 – 52m) which reported 2457ppm U<sub>3</sub>O<sub>8</sub> in the initial field XRF analysis. The same sample has the peak gold result of 1.05ppm Au, peak Pd (91ppb) and Pt (17ppb) and second highest ΣREE result (330ppm).
- The peak ΣREE result was reported from Coopers South drillhole NAR7509 (60 – 64m) which returned 376ppm.

Appendix I contains all the data files associated with the drilling campaign.

- Collar (WAJV\_NTSL4\_COLL2014A.txt)
- Survey (WAJV\_NTDS4\_SURV2014A.txt)
- Geology (WAJV\_NTDL4\_GEO2014A.txt)
- cps (WAJV\_NTDL4\_CPS2014A.txt)
- Field XRF Assay (WAJV\_NTGD4\_2014A\_XRF.txt)
- Field XRF QAQC (WAJV\_NTQG4\_DQAQC2014A\_XRF.txt)
- Lab Assay WAJV\_NTGD4\_2014A\_LAB.txt)
- Lab QAQC WAJV\_NTQG4\_DQAQC2014A\_LAB.txt)
- Multi-element Assay WAJV\_NTGD4\_2014A\_MULTI.txt)
- Multi-element QAQC WAJV\_NTQG4\_DQAQC2014A\_MULTI.txt)



## 5.2 Field Reconnaissance

During the drilling campaign, a number of potential prospect areas were examined on EL10176 and EL24371 as part of a general field reconnaissance. These prospects had been identified during office based research as potential targets requiring further follow-up investigations.

In a majority of cases, little could be ascertained from field investigations due to the extensive alluvial cover sequences obscuring underlying geology. Regional aircore geochemical drilling programs will be required to examine areas of interest and generate targets.

## 6. CONCLUSIONS AND RECOMMENDATIONS

Field based exploration continued in the 2014 field season with a drilling program designed to test priority targets. While a greater understanding of some of the prospect areas was achieved, further work including additional RC drilling programs is required.

The Company is planning to conduct spectral analysis of all the drill chips from the recent drill program. When combined and interpreted with the multi-element analyses, the data will be used to map and characterise mineral assemblages and alteration halos associated with uranium mineralisation in the ARUF. The aim will be to quantify broad-scale zonation patterns which may provide vectors to mineralisation, and to identify proximal alteration assemblages where drilling may have just missed mineralisation.

In addition, plans include a regional 'Mineral Systems Analysis' of the Alligator Rivers Uranium Province. Key outcomes will endeavour to produce a predictive metallogenic model for the Province, based on interpretation of architecture and geodynamic evolution, define regional-scale targets and if appropriate, high priority focused targets.

Uranium Equities plans to test more grassroots targets with the view of providing further drill targets for the 2015 field season. It is recommended that first pass, broad spaced geochemical drilling be undertaken to generate new targets.

The Company believes that with a sustained exploration effort in the region will outline additional resources in the region.

## 7. REFERENCES

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Appendix I  
RC Drilling Data Files