



9th October 2008

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

Attn: The Manager – Companies

Dear Sir,

**DRILLING COMMENCES
at
MOORARIE IRON ORE TARGETS**

Uranium Equities ("UEQ") is pleased to advise that drill testing of iron-ore targets at the Moorarie Project in Western Australia will commence in mid October, 2008.

The Moorarie Project is situated 380 km north-east of Geraldton in Western Australia's fast-developing mid-west iron ore province. It covers an area of 710 km² located 20 to 50 km east of the Jack Hills-Taylor Range hematite deposits and the Mt. Gould micaceous iron ore deposit (Figure 1).

UEQ is sole funding exploration to earn a 60% interest in all 5 tenements through expenditure of \$1.0m by 31st January 2010 in accordance with the joint venture with Independence Group NL ("IGO"). UEQ reported the identification of gravity, magnetic and radiometric anomalies in its release to the ASX dated 28th March 2008.

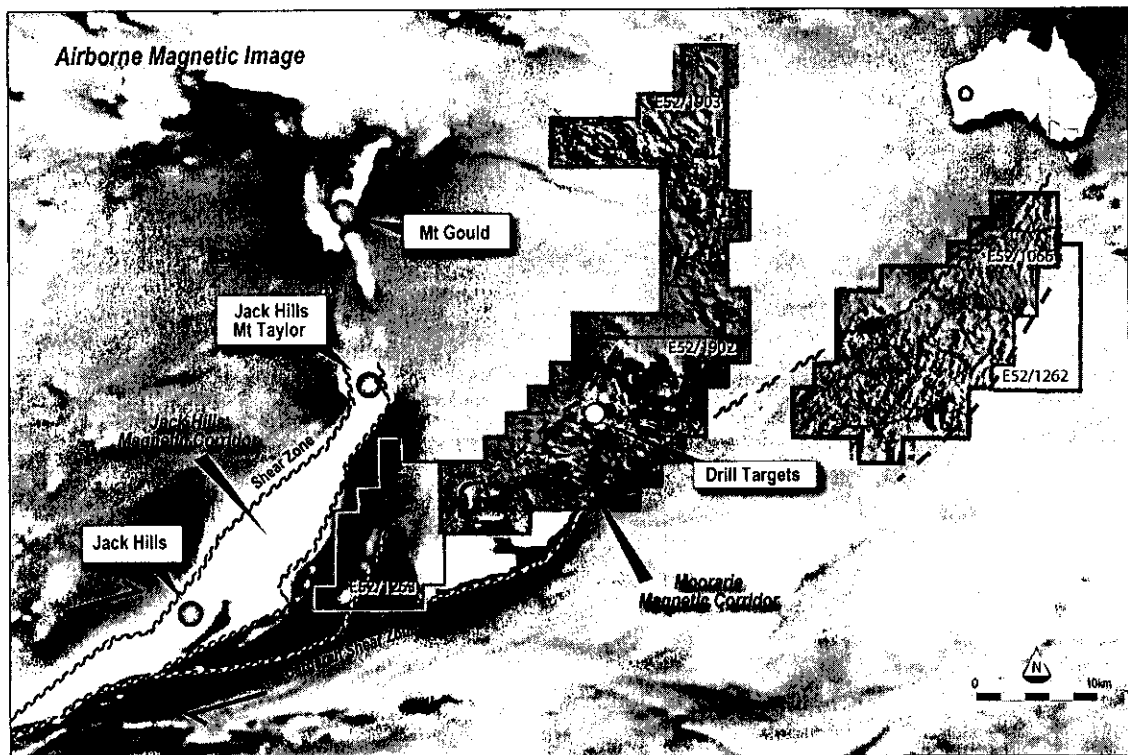


Figure 1: The Moorarie Project areas showing the major structural trends, iron ore deposits and the location of the Moorarie drilling targets.

The primary target area lies within the Moorarie Corridor, a highly magnetic structural zone bounded by the Cargarah Shear Zone and containing Banded Iron Formation (BIF) with similar linear magnetic signature as the Jack Hills Corridor to the west, but under shallow soil and alluvial cover.

Exploration has identified an 8+ milligal gravity anomaly coincident with an interpreted zone of demagnetisation within a Banded Iron Formation (BIF) sequence (Figure 2). The coincident gravity anomaly and demagnetised zone may reflect the development of hematite (iron-ore) within the buried BIF sequence. Two other subsidiary targets have been identified.

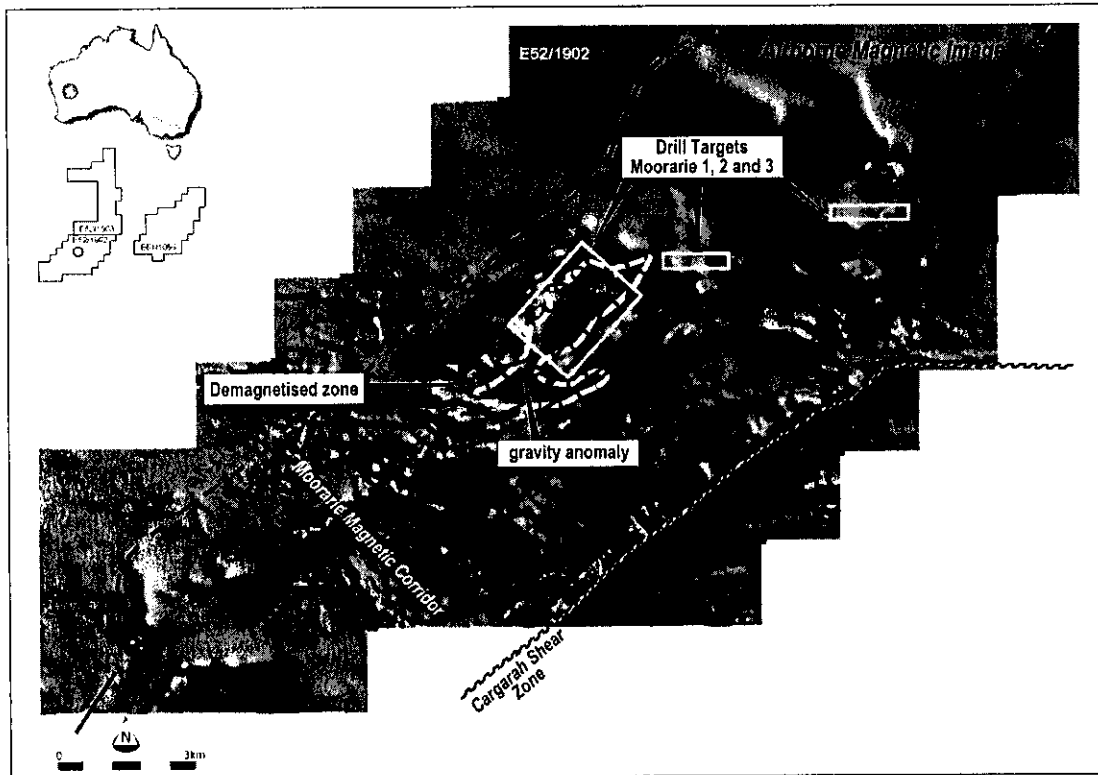


Figure 2: Moorarie drilling targets shown in relation to gravity contours and high-resolution magnetic data.

A 2,000 m systematic reverse circulation (RC) drilling program is planned to test the possible iron-ore targets commencing in mid October. The target depth is expected in the range 50 to 100 m.

Yours faithfully,

MARK CHALMERS
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Mr David Brunt, a full-time employee of Uranium Equities Limited, who is a Fellow of the Australasian Institute of Mining and Metallurgy Inc. Mr. Brunt has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

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