



MULGA ROCK DECISION

4 May 2007

Uranium Equities is disappointed to receive today reasons for decision by His Honour Justice Le Miere in the Supreme Court action commenced by the company against Michael Fewster and others asking to enforce a contract to acquire a 50% interest in the Mulga Rock Uranium–Polymetallic Project Deposit. No formal orders were made today but the Supreme Court delivered reasons for decision dismissing the Company's claim.

In essence the judgment concluded as follows:

There was no enforceable contract between the Company and the defendants because although holding on the evidence that there had in fact been extensive negotiations between the company and Mr Fewster concluding with the effect that "a deal had been done":

- 1.1 Significant commercial issues had not been finally agreed between the parties;
- 1.2 the nature of these issues indicated that the parties did not intend (on the judgement of Justice Le Miere) to conclude a binding contract;
- 1.3 in any event, as a matter of legal construction, for these reasons any agreement was uncertain.

The matter was adjourned until Thursday, 10 May 2007 to enable the parties to formulate the terms of orders. From the date formal orders are made Uranium Equities has rights of appeal to the Full Court of the Supreme Court of Western Australia. At this stage it is highly likely that Uranium Equities will exercise those rights.

It is likely that any Appeal would be heard in the later half of 2008.

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