

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



ASX Market Announcements Office via electronic lodgment

7 September 2015

Finding Under Section 27J of the Industry R&D Act 1986

Uranium Equities Ltd (UEQ) advises that it has received a Certificate for Finding from Innovation Australia under Section 27J of the Industry Research and Development Act 1986 ("IR&D Act") regarding its R&D tax incentive claim for the 2011/12, 2012/13 and 2013/14 income years.

Innovation Australia ascertain that certain R&D tax incentive claims in relation to the West Arnhem, Frome and Marla projects made by the Company in these years are non-compliant, and as such, require repayment to the extent of ~\$439,000. The Company and its advisor strongly disagree with the findings and believe all tax incentives received pursuant to the IR&D Act meet the eligibility requirements.

In 2010, the Company's West Arnhem project was reviewed for eligibility by AusIndustry for the 2007/08 income year. Following this review it was concluded that there was a low risk of non-compliance. In 2011/12 AusIndustry again reviewed the West Arnhem project and the Company was notified that no issues had been identified for further review activity at that time. It is subsequent to both of these reviews that AusIndustry has issued the current finding.

The Company is extremely disappointed with this outcome given the review history, the innovative and technical merit of each R&D project and the conservative approach to each claim.

Uranium Equities intends to take all necessary steps to dispute these findings of which the first step will be requesting that the Board of Innovation Australia reconsider the decision and commence a review under Division 5 of the IR&D Act (being an internal review of the finding).

Tim Goyder
Chairman

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