



22 May 2017

## **ASX Announcement**

### **Exploration and Development Incentive Scheme**

#### **Highlights**

- Monax Mining Limited ('Monax') has been successful in its application for participation in the Federal Government's Exploration and Development Incentive Scheme (EDI) for the 2015-16 financial year.
- ATO has confirmed a modulation factor of 1, meaning 100% of 2016 EDI credits can be distributed by Monax to eligible shareholders.
- Monax will distribute EDI credits of \$120,993 in respect of estimated greenfields minerals expenditure for the previous income year to shareholders.
- EDI credits will be issued to shareholders by Monax on Friday, 23 June 2017 on a pro-rated basis. To be eligible, shareholders must be on the Company's share register as of 7pm (Adelaide Time) on Monday, 22 May 2017 (Record Date).
- The EDI credits will be applied by the ATO to income tax assessed for the year ended 30 June 2017.
- 2.9% return (estimated) for eligible shareholders based on the Company's closing share price, Friday 19 May 2017 of \$0.009.

#### **Exploration Development Incentive Scheme**

Monax Mining Limited (ASX: MOX) has been advised by the Australian Taxation Office (ATO) that its application to participate in the Exploration Development Incentive Scheme (EDI) has been accepted. Monax will distribute EDI credits in respect of \$403,311 of estimated greenfields minerals expenditure for the previous income year to shareholders under the EDI.

In March 2015, the Federal Parliament passed legislation introducing the EDI scheme with effect from 1 July 2014 to run for three years based on an annual application process. The ATO is the administrator of the scheme.

The EDI scheme enables eligible exploration companies to create exploration credits to pass on to shareholders by forgoing a portion of the carried forward tax losses. The tax losses must have arisen from allowable expenditure on greenfields exploration.

Australian resident shareholders that are issued with exploration credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Non-residents of Australia receiving credits will not be able to use them.

The ATO has confirmed that a modulation factor of 1 has been applied to successful applicants, therefore one hundred percent of the estimated greenfields minerals expenditure applied for by the Company of \$403,311 will be available. At the Company tax rate of 30%, this translates into \$120,993 EDI credits that will be available for distribution to eligible shareholders on a pro rata basis. Based on the 457,960,718 shares currently on issue, this equates to \$0.000264 (0.0264 cents) per share. The EDI credit per share to be distributed will be finally determined based on the number of shares on issue at the record date.

The EDI credits will apply to the 2016-17 tax year and must be issued by Monax by 30 June 2017.

EDI credits are to be distributed to shareholders with equity interests based on the number of shares held by the shareholder as a proportion of the total equity interest of the company.

The relevant cut-off time to determine the number of shares that the shareholder holds is 30 days (Record Date) before the exploration credits are issued.

**RECORD DATE** – Monday, 22 May 2017

The Directors are pleased to confirm the Record Date for shareholder eligibility for EDI credits will be Monday 22 May 2017.

For shareholders to be eligible to receive a pro-rata distribution of EDI tax credits from the Company they must hold ordinary shares in the Company as of **7pm (Adelaide time) on Monday, 22 May 2017**.

Eligible shareholders will be notified by the Company of their EDI credit entitlement in the approved form on Friday, 23 June 2017, and the EDI credits will apply to income tax assessed for the year ended 30 June 2017.

For further information about the EDI refer to the ATO website at <https://www.ato.gov.au/Business/Exploration-Development-Incentive>

You should seek tax advice from a registered tax agent.

For further information, please don't hesitate to contact:

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