

Stavely to Participate in the Exploration Development Incentive

Stavely Minerals Limited ("Stavely Minerals", ASX Code: **SVY**) is pleased to advise that it will be participating in the Federal Government's Exploration Development Incentive (EDI) Scheme for the 2014-2015 tax year administered by the Australia Taxation Office (ATO). The EDI legislation was passed by Parliament on 3 March 2015 and is effective from 1 July 2014.

The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from eligible exploration expenditure and distributing these exploration credits to equity shareholders. Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset (for shareholders who are individuals or superannuation funds) or franking credits (for shareholders who are companies). Non-resident shareholders will receive the exploration credits but cannot use them. The exploration company's carry forward losses will be reduced proportionately to reflect the amount of exploration credits created.

On 27 November 2015, the ATO declared a modulation factor of 1 for the purposes of calculating an entity's maximum exploration credit amount for the 2014-2015 income year.

Stavely Minerals has claimed \$2.49 million of 2014-2015 eligible exploration expenditure and estimate that exploration credits of \$745,000 (30%) are eligible to be distributed to shareholders. The entitlements to the EDI credits will be determined 30 days prior to the issue date ('Record Date') and will be relative to the number of shares held on the Record Date as a proportion of the total shares on issue.

The EDI credits must be issued by 30 June 2016, and will be available for eligible shareholders to use for the 2015-2016 tax year.

Stavely Minerals will provide further information to shareholders when the Board determines the issue date.

Further information on the EDI is available from the ATO's website - <https://www.ato.gov.au/Business/Exploration-Development-Incentive/>.

The EDI is intended to encourage shareholder investment in exploration companies undertaking greenfields mineral exploration in Australia. Unlike producing mining companies, junior explorers have no revenue against which to deduct exploration expenditure. By allowing junior exploration companies to pass these losses on to shareholders as tax credits, the EDI provides an incentive for investment in the Australian mineral exploration sector.

Stavely Minerals hopes this well considered incentive will help sustain the major contribution mining makes to the Australian economy, and the standard of living enjoyed by all Australians, by encouraging investment in the exploration required to discover the mines of tomorrow.

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