

Record Date for Exploration Development Incentive Scheme Credits

Stavely Minerals Limited ("Stavely Minerals", ASX Code: **SVY**) is pleased to advise that exploration credits of \$748,000 (30% of Stavely's eligible 2014-2015 exploration expenditure of \$2.49 million) will be distributed to shareholders. The entitlements to the EDI credits will be based on a **Record Date of Wednesday 18 May 2016**, being 30 days prior to the issue date of 17 June 2016. Assuming Stavely's issued capital is 95,490,593 shares, this equates to 0.7833 cents per share.

The exploration credits distributed to Shareholders will be relative to the number of shares held on the Record Date as a proportion of the total shares on issue. Shareholders will receive an Entitlement Statement from Stavely's share registry after the issue has been completed on 17 June 2016.

Based on Stavely's closing price of 15.5c per share on 13 May 2016, these credits represent a theoretical return of approximately 5.1% for eligible shareholders.

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 have been reduced proportionately to reflect the amount of exploration credits created.

Further information on the EDI is available from the ATO's website - <https://www.ato.gov.au/Business/Exploration-Development-Incentive/What-to-do-when-you-receive-exploration-credits/>

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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