



ASX RELEASE

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**ASX: MGV**

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## Exploration Development Incentive Scheme

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Musgrave Minerals Ltd ("Musgrave" or "the Company") (ASX: MGV) is pleased to advise that exploration credits will be distributed to eligible shareholders through the Federal Government's Exploration Development Incentive Scheme ("EDI").

- The EDI is intended to encourage shareholder investment in exploration companies undertaking greenfields mineral exploration in Australia by allowing junior exploration companies to distribute a portion of their tax losses to shareholders as tax credits.
- The Australian Taxation Office ("ATO") has confirmed that a modulation factor of 1.0 is to apply for the purposes of calculating an entity's eligible exploration expenditure for the 2014-15 financial year, meaning that 100% of the 2015 EDI credits can be distributed by the Company to eligible shareholders.
- EDI credits totalling \$105,000 will be distributed to shareholders as a tax credit for the 2015-16 tax year.
- The benefit received by eligible shareholders will be based pro-rata on the number of shares held at the Record Date as a proportion of the total shares on issue. Based on the number of shares on issue as at 23 May 2016, this will amount to 0.08 cents per share (\$0.0008 per share).
- To be eligible, a shareholder must be an Australian resident and be recorded on the Company's share register at the Record Date, which is set at 31 May 2016.
- Eligible shareholders will receive an entitlement statement from Musgrave's share registry 30 days after the Record Date (30 June 2016) upon completion of the issue.

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 are not eligible to use the exploration credit. The exploration company's carry forward losses have been reduced proportionately to reflect the amount of exploration credits created.

Further information on the EDI can be located on the ATO's website:

<http://www.ato.gov.au/business/exploration-development-incentive/>

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