



## Exploration Development Incentive

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### Highlights:

- EDI credits will be distributed to shareholders as tax credits for the 2017/2018 tax year.
  - The EDI credits will be applied by the ATO to income tax assessed for the year ended 30 June 2018.
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Ausgold Limited (ASX: AUC) ("Ausgold" or "the Company") has been successful in its application for the Federal Government's Exploration Development Incentive ("EDI") scheme, allowing Ausgold to distribute exploration credits of up to \$508,674 to eligible shareholders.

In March 2015, the Federal Parliament passed legislation introducing the EDI scheme based on an annual application process. The ATO is the administrator of the EDI scheme, which enables eligible exploration companies to create exploration credits and to distribute them to shareholders by forgoing a portion of their carried forward tax losses that have arisen from allowable expenditure on "greenfield" 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).

The ATO has confirmed that a modulation factor of 1 has been applied to successful applicants; therefore 100% of the amount applied for by the Company of \$1,849,725 will be available. At the Company tax rate of 27.5%, this equates to \$508,674 EDI credits that will be available for distribution to eligible shareholders on a pro rata basis.

The record date for shareholder eligibility under the EDI is 30 May 2018. For shareholders to be eligible to receive a pro-rata distribution of tax credits from the Company they must hold ordinary shares in the Company as at 5pm (WST) on 30 May 2018. EDI tax offsets are only available to Australian tax resident shareholders. The shares on issue on 30 May 2018 was 577,149,541, equating to an EDI distribution of 0.00088 cents per share.

The EDI credits will apply to the 2017/2018 tax year and eligible shareholders will be notified by the Company of their EDI credit entitlement on 29 June 2018.

On behalf of the Board,

**Matthew Greentree**  
**Managing Director**  
Ausgold Limited

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