



ASX ANNOUNCEMENT

ASX: CXO

2 May 2018

Exploration Development Incentive

HIGHLIGHTS

Core has been successful in its application for participation in the Federal Government's Exploration Development Incentive ("EDI") scheme:

- **EDI credits will be distributed to shareholders as tax credits for the 2017/18 tax year. To be eligible, shareholders must be on the Company's register at the close of trading on Monday, 21 May 2018;**
- **The EDI credits will be applied by the ATO to income tax assessed for the year ended 30 June 2018;**
- **Successful SPP applicants retaining their SPP shares on the Record Date will be entitled to EDI credits.**

Emerging Australian lithium developer, Core Exploration Ltd (ASX: CXO) ("Core" or the "Company") is pleased to announce that it has been advised by the Australian Taxation Office ("ATO") that its application to participate in the EDI scheme has been accepted, and a tax credit of up to \$952,967 will be distributed 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 scheme.

The EDI scheme enables eligible exploration companies to create exploration credits to distribute 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). Non-residents receiving credits will not be able to utilise them.



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 \$3,465,336 will be available. At the Company tax rate of 27.5%, this equates to \$952,967 EDI credits that will be available for distribution to eligible shareholders on a pro rata basis. The Company currently has 591,604,830 shares on issue, equating to an EDI distribution of 0.161 cents per share. Assuming full participation in the upcoming SPP (\$2.0 million), the EDI distribution will reduce to approximately 0.15 cents per share – this assumes no further shares are issued or convertible securities exercised prior to the Record Date.

The amount of EDI credits distributed per share will be reduced by the number of shares to be issued under the Company's current SPP.

The EDI credits will apply to the 2017/18 tax year and must be issued by Core by 30 June 2018.

The Record Date to determine eligibility for EDI credits will be Monday 21 May 2018.

Any other shares issued prior to the Record Date will also be eligible for the credit and will impact the EDI distribution amount per share.

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 21 May 2018 ("Record Date").

Eligible shareholders will be notified by the Company of their EDI credit entitlement in the approved form on Wednesday, 20 June 2018, and the EDI credits will apply to income tax assessed for the year ended 30 June 2018.

For further information please contact:

Stephen Biggins
Managing Director
Core Exploration Ltd
+61 8 7324 2987
info@coreexploration.com.au

For Media and Broker queries:

Andrew Rowell
Director - Investor Relations
Cannings Purple
Ph +61 400 466 226
arowell@canningspurple.com.au