



28 June 2019

JUNIOR MINERALS EXPLORATION INCENTIVE – SUCCESSFUL APPLICATION FOR 2019/2020 YEAR

HIGHLIGHTS

- Kalamazoo Resources has been successful in its application for participation in the Federal Government’s Junior Minerals Exploration Incentive (“JMEI”) scheme for the 2019/2020 income year
- JMEI credits may be distributed to eligible shareholders as a tax offset or franking credit for the 2019/2020 year
- To be eligible for the 2019/2020 tax offset, shareholders must participate in capital raising activities between 1 July 2019 and 30 June 2020
- Only new shares issued by Kalamazoo Resources are eligible for JMEI credits

Kalamazoo Resources Limited (**ASX: KZR**) (“Kalamazoo”) (“Company”) is pleased to announce that it has been advised by the Australian Taxation Office (“ATO”) that its application to participate in the JMEI scheme for the 2019/2020 tax year has been accepted and the Company has received an allocation of up to \$825,000 in tax credits which can be distributed to eligible shareholders.

In March 2018 the Federal Parliament passed legislation introducing the JMEI scheme with effect from 1 July 2017. The scheme is voluntary and companies must apply each year to participate.

The JMEI scheme encourages investment in small mineral exploration companies that carry out “Greenfields” mineral exploration in Australia, by allowing these companies to generate a tax incentive by choosing to give up a portion of their tax losses from “Greenfields” mineral exploration expenditure for distribution to investors.

The exploration credit that can be issued to an investor is limited to the amount paid by the investor for the new shares multiplied by the Company’s corporate tax rate.

Eligible investors must be Australian resident shareholders who apply for and are issued new shares in the Company’s capital raising activities between 1 July 2019 and 30 June 2020. JMEI credits will be distributed to all eligible investors on a pro-rata basis.

Australian resident shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits



(for companies). Receiving a JMEI credit could have tax consequences and shareholders should obtain independent tax advice specific to their personal circumstances.

The JMEI credits will apply to the 2019/2020 tax year and can be issued by the Company after lodgement of its 30 June 2020 tax return. Eligible shareholders are expected to be notified by the Company of their JMEI credit entitlement in the approved form once the Company has lodged its 2019/20 tax return, and the JMEI credits will apply to their income tax assessment for the year ended 30 June 2020.

For further information, please contact:

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Forward Looking Statement

The information in this announcement contains forward looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and are believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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