



**THE HON. MALCOLM TURNBULL MP
PRIME MINISTER**

**THE HON. BARNABY JOYCE MP
DEPUTY PRIME MINISTER
MINISTER FOR AGRICULTURE AND WATER RESOURCES
MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA**

JOINT MEDIA RELEASE

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Investing in the future strength of the Australian resources sector

The Turnbull Government will commit \$100 million to secure additional private investment in vital greenfield mineral exploration to drive the next wave of mineral discoveries crucial to the resources sector and the Australian economy.

The Government will provide tax incentives for junior exploration companies to encourage investment and risk taking which are needed to underpin the future strength of our resources sector and the Australian economy.

Prime Minister Malcolm Turnbull said the Junior Mineral Exploration Tax Credit (JMETC) would allow the tax losses in greenfield exploration companies to be distributed as a credit to Australian resident shareholders.

“Everything my government is doing is focussed on promoting investment and driving economic activity,” Prime Minister Turnbull said.

“These tax incentives will encourage ‘junior explorers’ to take risks and to have a go at discovering the next large-scale mineral deposit.

“We want to back enterprise. We want to turnaround the greenfields minerals exploration expenditure that have declined by almost 70 per cent over the past five years.”

Under the new \$100 million Junior Mineral Exploration Tax Credit scheme, Australian resident investors of junior explorer companies will receive a tax credit where the exploration company chooses to give up a portion of their losses relating to their greenfields exploration expenditure in an income year.

The ability to immediately distribute tax credits to investors will make investing in a 'junior explorer' more immediately attractive and encourage investment in small exploration companies undertaking greenfields mineral exploration in Australia.

Deputy Prime Minister, Minister for Agriculture and Water Resources and Minister for Resources and Northern Australia Barnaby Joyce said greenfield mineral exploration acts as a catalyst for new investment opportunities and job creation while supporting local businesses in regional communities across Australia.

"Despite good prospects Australia has not had a world-class mineral discovery in more than twenty years," Mr Joyce said.

"This credit will make it more financially attractive for our mineral explorers to find resources in untapped regions."

Specifically, only newly issued shares relating to capital raising for investment in new greenfields exploration activity will be eligible for these tax credits.

This will help maximise the incentive for additional investment in minerals exploration.

Tax credits of up to \$100 million over four years will be made available from this financial year on a first-in first served basis consistent with arrangements to be administered by the Australian Taxation Office.

The JMETC improves on previous pilot programs assisting junior mineral explorers and has been developed based on industry feedback.

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