



3 July 2019

JUNIOR MINERALS EXPLORATION INCENTIVE

Highlights

- **Dreadnought Resources Limited has been successful in its application for participation in the Federal Government’s Junior Minerals Exploration Incentive (“JMEI”) scheme**
- **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 year, shareholders must participate in Dreadnought’s capital raising activities after 30 June 2019 and before 1 July 2020 – this applies to the recently announced Placement and Share Purchase Plan**
- **Only new shares issued by Dreadnought are eligible for JMEI credits – the exact amount of the credit attaching to new shares will not be known until Dreadnought’s 30 June 2020 tax return is lodged**

Dreadnought Resources Limited (“Dreadnought” or “the Company” ASX: DRE) is pleased to advise that the Australian Taxation Office (“ATO”) made an allocation of up to \$600,000 in JMEI tax credits which can be distributed to eligible shareholders.

The JMEI scheme encourages investment in small mineral exploration companies that carry out “greenfields” mineral exploration in Australia, by allowing such 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 eligible investors.

Eligible investors must be Australian resident shareholders who apply for and are issued shares in Dreadnought’s capital raising activities between 30 June 2019 and 1 July 2020. JMEI credits will be distributed to all eligible investors on a pro-rata basis. Shares issued before 30 June 2019 will not be eligible for the 2019/2020 JMEI credit but will be eligible for the 2018/2019 JMEI credit.

Eligible Investors will be eligible to receive exploration credits in respect of direct investments (eg placement) made in Dreadnought during the period from 1 July 2019 to 30 June 2020. The exploration credits would serve to reduce an Eligible Investor’s 2020 tax liability.

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Paul Chapman Non-Executive Chairman
Dean Tuck Managing Director
David Chapman Non-Executive Director
Ian Gordon Non-Executive Director
Paul Payne Non-Executive Director

CORPORATE STRUCTURE
ASX Code: DRE
Shares on Issue: 1,16M
Market Cap: \$3.4M
Share Price \$0.003
Cash (3/7/19): \$0.6M



The amount of exploration credits to be issued per share will depend on a range of factors including: the amount raised in the placement; the amount of exploration expenditure incurred in the 2020 year; and any other new shares issued prior to 30 June 2020

Accordingly the JMEI tax credit will be available to the recently announced placement and Share Purchase plan. Shareholders are encouraged to participate in the Share Purchase Plan with attached JMEI tax credit.

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 exact amount of the JMEI tax credit available for eligible investors will not be known until Dreadnought lodges its 2020 tax return in the September 2020 quarter.

For further information about the JMEI refer to the ATO website at;
<https://www.ato.gov.au/Business/Junior-Minerals-Exploration-Incentive/>

ON BEHALF OF THE BOARD

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