

Exploration Development Incentive

The Exploration Development Incentive (EDI) encourages shareholder investment in small exploration companies undertaking greenfields mineral exploration in Australia. It provides economic incentive to invest in the Australian mining sector. This benefits the Australian economy, enabling the mining sector to make new mineral discoveries.

The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from greenfields minerals expenditure and distributing these exploration credits to equity shareholders.

Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset or additional franking credits. The exploration company's carry forward losses are reduced proportionately to reflect the amount of exploration credits created.

The incentive applies from the 2014–15 income year. It is capped at a total of \$100 million for greenfields minerals expenditure incurred over the three-year period:

- \$25 million in 2014–15
- \$35 million in 2015–16
- \$40 million in 2016–17.

Information about the EDI for the relevant income tax years

Income year	No. of applications	Total notified exploration expenditure	Modulation factor	Exploration credit cap	Estimated maximum exploration credits issued
2014–15	84	\$70,323,723	1.00	\$25 million	\$21.1 million
2015–16	54	\$45,672,570	1.00	\$35 million	\$13.7 million
2016–17	to be advised (tba)	tba	tba	\$40 million	tba

Find out about:

- [Eligible exploration companies \(/Business/Exploration-Development-Incentive/Eligible-exploration-companies/\)](#)
- [Greenfields minerals expenditure \(/Business/Exploration-Development-Incentive/Greenfields-minerals-expenditure/\)](#)
- [How to participate in the EDI \(/Business/Exploration-Development-Incentive/How-to-participate-in-the-EDI/\)](#)
- [What to do if you receive exploration credits \(/Business/Exploration-Development-Incentive/What-to-do-when-you-receive-exploration-credits/\)](#)
- [Questions about the EDI \(/Business/Exploration-Development-Incentive/Questions-about-the-EDI/\)](#)

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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