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Firm seeks tax relief

A RESOURCE company is calling on the Federal Government to give a tax break to investors in mining exploration, a sector which is suffering in a tough economic climate.

Auzex Resources wants the Government to implement a flow-through shares scheme, similar to one that has been operating in Canada since 2000.

The company's executive chairman, John Lawton, said the mining industry was in need of Government assistance due to the global economic downturn, and was disappointed the sector was overlooked in the Government's \$42 billion economic stimulus package.

FTS schemes allow individual investors in exploration companies to claim a tax credit for a company's exploration spending against their personal income.

"The Canadian FTS was introduced during a downturn and it was only supposed to be a temporary measure," Mr Lawton said.

"But it has given mining exploration in Canada a tremendous boost and is still in operation today."

He said some Australian mineral explorers had listed on the Toronto Stock Exchange because it could provide better investment opportunities.

He said government support for mineral exploration would be appropriate because it was very much like research and development.

"There's a lot of technology involved which is cutting edge," he said.

Auzex is one of more than 800 resource companies listed on the ASX.

AAP