

ASX ANNOUNCEMENT 20 December 2017

EXPLORATION DEVELOPMENT INCENTIVE SCHEME

Forte Consolidated Limited (Forte) (ASX : FRC) has been advised by the Australian Taxation Office (ATO) that its application to participate in the Exploration Development Incentive Scheme (EDI) has been accepted.

Key Points:

- Forte has been successful in its application for participation in the Federal Government's EDI Scheme.
- ATO has confirmed a modulation factor of 1, meaning 100% of EDI credits can be distributed to eligible shareholders.
- Forte is to issue \$33,868 in EDI credits to shareholders.
- EDI credits will be issued to eligible shareholders on 21 December 2017. Eligible shareholders are those who were on the Company's share register on 21 November 2017 (Record Date).
- Eligible shareholders will be able to use the EDI credits for the 2017/18 tax year.

The EDI scheme allows small mineral exploration companies without taxable income to provide exploration credits, paid as a refundable tax offset, to their Australian resident shareholders for greenfields mineral exploration. This is the third year of the EDI scheme and applies to greenfields mineral exploration during the 2016/17 tax year.

Forte has elected to participate in the EDI scheme for the 2016/17 tax year and to pass on the benefits of this scheme to its shareholders. Forte will therefore issue EDI credits for the 2016/17 expenditure to eligible shareholders.

Australian resident shareholders that are issued with EDI credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies) for the 2017/18 tax year. Non-residents receiving credits will not be able to use them. The Company's carry forward losses are reduced proportionately to reflect the amount of EDI credits created.

EDI credits are to be distributed to shareholders with equity interests based on the number of shares held by the shareholder as a proportion of the total equity interest of the Company.

Eligible shareholders will be notified by the Company of their EDI credit entitlement in the approved form on 21 December 2017.

For further information about the EDI refer to the ATO website at <http://www.ato.gov.au/Business/Exploration-Development-Incentive>