

ASX ANNOUNCEMENT 12 April 2016

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 2015 EDI credits can be distributed to eligible shareholders.
- Forte is to issue \$236,584 in EDI credits to shareholders.
- EDI credits will be issued to eligible shareholders on 13 April 2016. Eligible shareholders are those who were on the Company's share register on 14 March 2016 (Record Date).
- Eligible shareholders will be able to use the EDI credits for the 2015/16 tax year.

On 13 May 2014, the Federal Government announced the introduction of the Exploration Development Incentive scheme ("EDI"). On 19 March 2015, legislation enabling the EDI received Royal Assent. 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. The first year of the EDI scheme applies to greenfields mineral exploration during the 2014/15 tax year.

Forte has elected to participate in the EDI scheme for the 2014/15 tax year and to pass on the benefits of this scheme to its shareholders. Forte will therefore issue EDI credits for the 2014/15 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 2015/16 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 13 April 2016.

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