

ASX Announcement (ASX:AXE)

3 July 2019

## Junior Minerals Exploration Incentive – Successful application for 2019/20 Income year

### Highlights

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- Archer has been successful in its application for participation in the Federal Government's Junior Minerals Exploration Incentive Scheme (JMEI) for the 2019/20 income year.
  - 2019/20 JMEI credits are only available to new Archer shares (Shares) issued between 1 July 2019 and 30 June 2020 (Eligibility Period).
  - The JMEI credits will be applied by the ATO to income tax assessed for the year ended 30 June 2020.
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Archer Exploration Limited (Archer, the Company) has been advised by the Australian Taxation Office (ATO) that its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme for the 2019/20 income year has been accepted.

### The JMEI Scheme

The JMEI applies to Australian residents who acquire new shares in a greenfields minerals explorer before the end of an income year in which the Commissioner has made an exploration credits allocation but on or after the day on which the allocation is made. The shares must be equity interests for the purposes of the debt and equity tax rules.

Australian resident shareholders that are issued with exploration credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies).

The exploration credit that can be issued to an investor is limited to the amount paid by the investor to acquire the new shares multiplied by the corporate tax rate. Exploration credits must be issued in proportion to each eligible investor's investment so streaming of exploration credits to particular investors is not permitted.

### Archer's participation in the scheme

This is Archer's third year of participating in the JMEI Scheme, with the ATO confirming that Archer been successful in its application for \$300,000 JMEI credits for the 2019/20 year. Only those shareholders (**Eligible Shareholders**) who acquire new Archer shares between 1 July 2019 and 30 June 2020 (**Eligibility Period**) are entitled to receive JMEI credits.

Investors should be aware that Archer cannot guarantee that Eligible Shareholders will receive the maximum number of JMEI credits available as the actual number of JMEI credits received

by each Eligible Shareholder for the 2019/20 income year will be dependent on a number of factors including:

- the total number of new Archer shares issued between 1 July 2019 and 30 June 2020;
- the actual amount of allowable exploration incurred by Archer in the 2019/20 financial year;
- Archer's tax losses for the 2019/20 financial year, and
- each shareholder's individual financial circumstance.

Receiving a JMEI credit could have tax consequences, therefore, all Eligible Shareholders are encouraged to seek their own independent advice before making a decision on whether to exercise options or participate in any offer to acquire new Shares in the Company.

Eligible Shareholders will be notified by the Company of their JMEI credit entitlement in the approved form once Archer has lodged its 2019/20 tax return, and these JMEI credits will apply to income tax assessed for the year ended 30 June 2020.

For further information about the JMEI refer to the Australian Taxation Office website (click [here](#)).

For further information, please contact:

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For more information about Archer's activities, please visit our:

Website  
<https://archerx.com.au/>

Twitter:  
<https://twitter.com/archerxau?lang=en>

YouTube:  
<https://bit.ly/2UKBBmG>

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<https://medium.com/@ArcherX>

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