

ASX Announcement (ASX:AXE)

31 May 2018

Reminder: Junior Minerals Exploration Incentive

Archer Exploration Limited (ASX: AXE) reminds shareholders that, on 24 April 2018, the Company announced that its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme was accepted.

This means that Archer has up to \$270,000 of JMEI credits available to distribute to Archer shareholders issued new shares (**Shares**) after Monday, 23 April 2018 and before 30 June 2018 (**Eligibility Period**).

The JMEI credits 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. JMEI credits must be issued in proportion to each eligible investor's investment on a pro-rata basis.

Assuming that only shares issued after 23 April 2018 and before 30 June 2018, relate to the exercise of SPP Options, Shareholder's JMEI credit entitlement will range between approximately 1.75¹ cents per share and 2.25 cents per Share.

Exercise of SPP Options

Only those shareholders who acquire new Archer shares during the Eligibility Period are entitled to receive JMEI credits. Therefore, SPP Option holders wishing to be eligible to receive JMEI credits upon the exercise of their SPP Options must ensure that the Company receives their completed Option Exercise Notice (attached to back of SPP Option certificate) and cheque by Friday, 22 June 2018 and that the funds from the cheque are cleared by close of business on Thursday, 28 June 2018.

The Company cannot guarantee the issue new Shares on the exercise of SPP Options before 30 June 2018 if the Option Exercise Notice is received by the Company after Friday, 22 June 2018 or if the funds from cheque lodged prior to Friday, 22 June 2018 with a valid application form have not cleared by close of business on 28 June 2018.

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

Eligible shareholders will be notified by the Company of their JMEI credit entitlement in the approved form once Archer has lodged its 2017/18 tax return, and these JMEI credits will apply to income tax assessed for the year ended 30 June 2018.

Receiving a JMEI credit could have tax consequences and Option holders are encouraged to seek their own independent advice before making a decision on whether or to exercise their Options.

Refer to the Company's previous JMEI announcement to ASX on 24 April 2018 (click [here](#)).

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

¹ Assumes all 15,385,623 SPP Options held as at 24 April 2018 are exercised during the Eligibility Period and a tax rate of between 27.5% and 30%.

For further information, please contact:

Contact Details

Mr Greg English
Executive Chairman

Mr Damien Connor
Company Secretary

Tel: +61 8 8272 3288

Shareholders

For more information visit our website
<https://archerx.com.au/investors/>