

## ASX Announcement

11 May 2016

### Capital Raising - update

Archer has been, and continues to be, engaged with key service providers concerning Archer's Leigh Creek Magnesite project. Negotiations with key service providers are continuing and currently remain inconclusive with definitive agreements yet to be finalised.

As the agreements have taken longer than anticipated to be finalised, and there is a prospect that the details of the definitive agreements may differ from current expectations, or may involve other parties, or may not be agreed upon by all the parties involved, Archer has suspended the capital raising pending the finalisation of these contract negotiations to allow clarity of the final process arrangements to be achieved.

While these recent events have temporarily delayed the magnesite project timelines Archer remains confident that the previously announced milestones of Q4 calendar 2016 for trial product and Q1 calendar 2017 for commercial sales will occur.

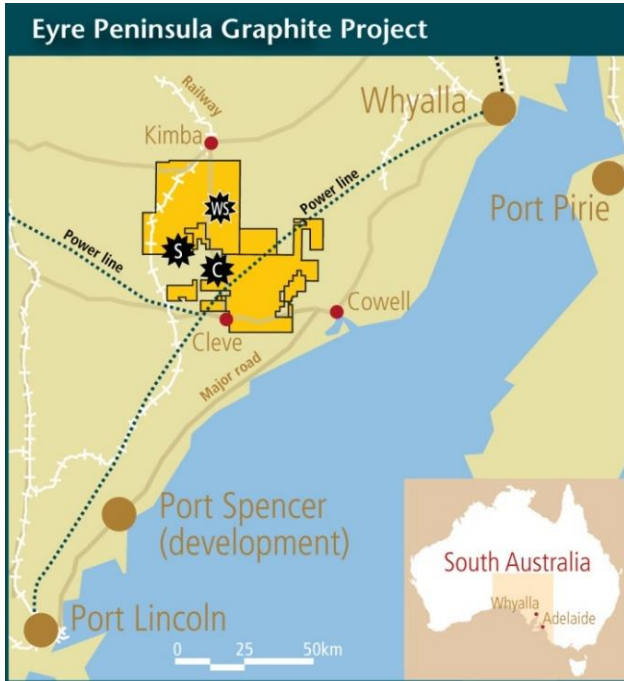
Notwithstanding the above, Archer has decided to offer to its existing shareholders a share purchase plan that is capped at \$500,000 to continue its progress with its magnesite, agricultural carbon and graphite projects.

For further information, please contact:

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Archer Exploration Limited is an Australian Stock Exchange listed company with 100% ownership of 16 tenements all in South Australia covering more than 5,000 km<sup>2</sup>.



**Advanced Graphite Projects**

-  Campoona
-  Sugarloaf
-  Wilclo South



**Priority 1 and 2 targets:**

-  Graphite
-  Magnesite
-  Manganese
-  Copper
-  Gold