



# ARCHER EXPLORATION LIMITED

ACN 123 993 233

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## NOTICE OF ANNUAL GENERAL MEETING - 2016

### EXPLANATORY MEMORANDUM

### PROXY FORM

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**Date of Meeting:**

Friday, 28 October 2016

**Time of Meeting:**

10.00 am (Adelaide time)

**Place of Meeting:**

Level 1, 67 Greenhill Road  
Wayville, South Australia

# Notice of Annual General Meeting – 2016

## AGENDA

Notice is hereby given that the Annual General Meeting of the shareholders of Archer Exploration Limited will be held at Level 1, 67 Greenhill Road, Wayville South Australia 5034, on Friday, 28 October 2016 at 10.00 am (Adelaide time),

The Explanatory Memorandum that accompanies and forms a part of this Notice of Annual General Meeting describes the matters to be considered at the meeting.

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## GENERAL BUSINESS

### FINANCIAL STATEMENTS AND REPORT

To receive and consider the Financial Report for the year ended 30 June 2016 and the reports of the Directors and Auditor, as set out in the 2016 Annual Report.

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## ORDINARY BUSINESS

### RESOLUTION 1 - REMUNERATION REPORT

To consider, and if thought fit, to pass the following non-binding advisory resolution:

*'That the Remuneration Report for the year ended 30 June 2016 as set out in the 2016 Annual Report be adopted'*

### RESOLUTION 2 - RE-ELECTION OF ALICE M<sup>C</sup>CLEARY AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*'That Alice M<sup>C</sup>Cleary, a Non-Executive Director retiring by rotation in accordance with ASX Limited (ASX) Listing Rule 14.5 and clause 2.5 of the Constitution of the Company, and being eligible for re-election, be re-elected as a Non-Executive Director of the Company.'*

### RESOLUTION 3 – RE-ELECTION OF PAUL RIX AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*'That Paul Rix, a Non-Executive Director appointed on 08 February 2016 by resolution of Directors, being eligible, is re-elected as a Non-Executive Director of the Company, in accordance with Listing Rule 14.4 and clause 2.4 of the Constitution of the Company.'*

### RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO MR GREGORY ENGLISH

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*'That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant of 450,000 Performance Rights (and the subsequent issue of any Shares upon vesting of those Performance Rights) to Greg English, Executive Chairman of Archer Exploration Limited, to be granted under the Archer Exploration Performance Rights Plan on the terms set out in the accompanying Explanatory Memorandum.'*

### RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO MR THOMAS PHILLIPS AM

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*'That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant of 450,000 Performance Rights (and the subsequent issue of any Shares upon vesting of those Performance Rights) to Tom Phillips, a Non-Executive Director of Archer Exploration Limited, to be granted under the Archer Exploration Performance Rights Plan on the terms set out in the accompanying Explanatory Memorandum.'*

### RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO MS ALICE M<sup>C</sup>CLEARY

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*'That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for other purposes, approval be given for the grant of 450,000 Performance Rights (and the subsequent issue of any Shares upon vesting of those Performance Rights) to Alice M<sup>C</sup>Cleary, a Non-Executive Director of Archer Exploration Limited, to be granted under the Archer Exploration Performance Rights Plan on the terms set out in the accompanying Explanatory Memorandum.'*

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### RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO MR PAUL RIX

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*‘That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant of 450,000 Performance Rights (and the subsequent issue of any Shares upon vesting of those Performance Rights) to Paul Rix, a Non-Executive Director of Archer Exploration Limited, to be granted under the Archer Exploration Performance Rights Plan on the terms set out in the accompanying Explanatory Memorandum.’*

### RESOLUTION 8 - APPROVAL TO ISSUE UP TO 20,000,000 NEW SHARES

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*‘That for the purposes of ASX Listing Rule 7.1, and for all other purposes, shareholders approve the allotment and issue of up to 20,000,000 new Shares to sophisticated and professional investors on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

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## SPECIAL BUSINESS

### RESOLUTION 9 -APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

*‘That, for the purpose of Listing Rule 7.1A, approval is given for the Company to issue Equity Securities totaling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.’*

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## VOTING RESTRICTIONS

### Resolution 1

In accordance with the Corporations Act, a vote must not be cast on Resolution 1 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, and any Closely Related Party of such a member. However, the member or any Closely Related Party of such a member may vote if:

- a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution, or by a person who is the Chair of the meeting at which the resolution is voted on and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- b) it is not cast on behalf of the member or any Closely Related Party of such a member.

### Resolutions 4, 5, 6, and 7 (Issue of Performance Rights to Directors)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolutions 4 – 7 by Directors and any Associates of Directors and, if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person and any Associates of that person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly authorises the person who is the chair of the meeting to exercise the proxy. However, the member or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution or by a person who is the chair of the Meeting at which the Resolution is voted on and the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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### Resolution 8 (Share Placement Facility) and Resolution 9 (10% Additional Placement Capacity)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolutions 8 and 9 by any person who may participate in the proposed issue, or who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if Resolution is passed, and any associates of such person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

As at the date of this Notice of Meeting the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A or under Resolution 8 (if approved), therefore it is not known who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A or under Resolution 8 (if approved).

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## PROXIES

### Appointment of Proxy

A Shareholder who is entitled to attend and cast a vote at the Annual General Meeting and who wishes to vote on the resolutions contained in this Notice should either attend in person or appoint a proxy or proxies to attend or vote on the Shareholder's behalf. A Shareholder entitled to attend and to cast two or more votes may appoint up to two proxies to attend and vote on behalf of that Shareholder. A proxy need not be a Shareholder. A proxy form is included with this Notice of Annual General Meeting. A Shareholder that is a body corporate may appoint a representative to attend in accordance with the *Corporations Act*.

If a Shareholder appoints two proxies, then the appointment of the proxies may specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the Shareholder appoints two proxies and the appointment does not so specify, each proxy may exercise half of the votes able to be cast by the appointing Shareholder. Fractions of votes will be disregarded.

A proxy form must be signed by the Shareholder or their duly appointed attorney, or in the case of a body corporate, executed in accordance with the Constitution, or signed by a duly authorised officer or attorney.

To be effective, the Company must receive the completed proxy form signed by the Shareholder and, if the form is signed by the Shareholder's attorney or authorised officer of a corporation, the authority under which the proxy form is signed or a certified copy of the authority by post or fax **no later than 10.00 am (Adelaide time) on 26 October 2016 (being 48 hours before the commencement of the meeting) to:**

- the Company's registered office at Level 1,28 Greenhill Road Wayville, South Australia 5034 (facsimile (08) 8272 3888); or
- the Company's share registrar, Computershare Investor Services Pty Limited, as listed below

| Online:                                                                                                                                                                  | Mail:                                                                                                                           | Fax:                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Enter the control number, SRN/HIN and postcode shown on the first page of the proxy form at:<br><br><a href="http://www.investorvote.com.au">www.investorvote.com.au</a> | Archer Exploration Limited<br>C/- Computershare Investor Services Pty Limited<br>GPO Box 242<br>Melbourne VIC 3001<br>Australia | Archer Exploration Limited C/- Computershare Investor Services Pty Limited<br>(within Australia) 1800 783 447<br>(outside Australia) +613 9473 2555 |

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If you require an additional proxy form, please contact Computershare Investor Services Pty Limited.

### Custodian Voting

Custodian Voting is available for Intermediary Online subscribers only (Custodians) by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

### Voting by proxies

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit subject to the requirements outlined in the proxy form. If a proxy abstains from voting and the directions on the proxy require that person to vote, the votes not exercised by the proxy will be given to the chair to vote in accordance with the directions on the proxy form.

Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairperson of the meeting as your proxy.

### Appointment of a Company representative

A body corporate may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

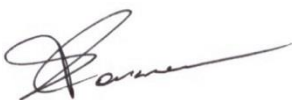
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### Entitlement Time

For the purpose of determining the voting entitlements at the meeting, the Board has determined that, in accordance with the Company's Constitution and the *Corporations Act*, the shares in the Company will be taken to be held by the registered holders of those shares at 7.00 pm (Sydney time) on 26 October 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

You may view the 2016 Annual Report at the Archer website. [www.archerexploration.com.au](http://www.archerexploration.com.au)

By order of the Board



*Damien Connor*  
Company Secretary  
15 September 2016

# Explanatory Memorandum

## IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice of Meeting and has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Shareholders to be held at 10:00am on **Friday, 28 October 2016** at Level 1, 67 Greenhill Road, Wayville South Australia 5034.

This Explanatory Memorandum should be read in full and in conjunction with the accompanying Notice of Annual General Meeting before making any decision in relation to the resolutions, and is a brief explanation of Resolutions 1 to 9 in the Notice of Annual General Meeting and why the Company is seeking Shareholder approval.

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## FINANCIAL STATEMENTS AND REPORT

As required by Section 317 of the Corporations Act, the Financial Report and the reports of the Directors and the Auditor for the financial year ended 30 June 2016 will be laid before the meeting.

During this item of business, Shareholders will be given reasonable opportunity to ask questions and make comments about the reports and the business and management of the Company.

There is no requirement for Shareholders to approve these reports. However, Shareholders will be given a reasonable opportunity to ask a representative of the Company's Auditor, Grant Thornton, questions in relation to the conduct of the audit (including the independence of the Auditor), and the accounting policies adopted by the Company.

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## RESOLUTION 1 - REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report contained in the Directors' Report set out in the 2016 Annual Report and is also available on the Company's website at [www.archerexploration.com.au](http://www.archerexploration.com.au).

The Remuneration Report provides information on the following issues:

- the policies adopted by the Board for determining the nature and amount of remuneration of Directors, the company secretary and senior managers;
- the relationship between the remuneration policies and the Company's performance;
- the performance conditions that apply to the different components of the remuneration structure, why those performance conditions were chosen and how performance is measured against them; and
- remuneration details for Directors and senior executives.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objective and current and emerging market practices.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

The shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company, in accordance with Section 250R of the Corporations Act. If more than 25% of the votes cast on a resolution to adopt the remuneration report are against the adoption of the remuneration report for two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution that another meeting be held within 90 days, at which all of the Company's Directors must stand for re-election. At the 2015 AGM, the Company's remuneration report for the year ended 30 June 2015 did not receive a 'no' vote of 25% or more.

### Board Recommendation

The Board recommends that Shareholders vote **IN FAVOUR** of adopting the Remuneration Report.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 1.

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## RESOLUTION 2 - RE-ELECTION OF ALICE M<sup>C</sup>CLEARY AS A DIRECTOR

Clause 2.5 of the Company's Constitution requires that at every Annual General Meeting one third of the Directors (excluding the Managing Director) must retire from office and are eligible for re-election. Also, under ASX Listing Rule 14.4 no Director may hold office without re-election beyond the third Annual General Meeting following the meeting at which the director was last elected or re-elected.

Accordingly, Ms Alice M<sup>C</sup>Cleary will retire by rotation and offers herself for re-election.

## Explanatory Memorandum

The qualifications and experience of Alice M<sup>c</sup>Cleary are set out below.

Alice M<sup>c</sup>Cleary has been a Non-Executive Director of the Company since 16 February 2007 and is Chairman of the Company's Audit & Risk Management Committee. Alice is a Chartered Accountant and is Chairman of UraniumSA Limited (ASX listed). She is a member of the South Australian Government's Minerals and Energy Advisory Council, and a councilor of the South Australian Chamber of Mines and Energy (SACOME). Alice is a former Director of Adelaide Community Healthcare Alliance Inc (ACHA), Benefund Ltd and Forestry Corporation of South Australia, and a former member of the Corporations and Markets Advisory Committee (CAMAC).

Previous leadership roles include Vice-President of SACOME, Deputy Chancellor of the University of South Australia and National President of the Taxation Institute of Australia. Alice's professional interests include financial management and corporate governance.

The Board Considers Alice to be an independent director.

### Board Recommendation

The Board (with Alice M<sup>c</sup>Cleary abstaining) recommends that shareholders vote **IN FAVOUR** of Resolution 2 for the re-election of Alice M<sup>c</sup>Cleary as a Director.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 2.

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## RESOLUTION 3 - RE-ELECTION OF PAUL RIX AS A DIRECTOR

Paul Rix was appointed as a Director of the Company by the Board on 08 February 2016. Paul Rix offers himself for election at the first Annual General Meeting since his appointment, in accordance with Listing Rule 14.4 and clause 2.4 of the Company's Constitution. The qualifications and experience Paul Rix are set out below.

Paul is a Non- Executive Director of the Company and is a member of the Company's Audit & Risk Management Committee. Paul Rix is an experienced mining professional with more than 30 years' experience in the marketing of industrial minerals and products. From 2003 – 2013, Paul worked for Queensland Magnesia Pty Ltd (QMAG) as General Manager Marketing where he was responsible for the development and implementation of QMAG's long-term marketing strategy, focusing on diversification of magnesia products and markets whilst maintaining high plant utilisation. Paul's magnesia marketing responsibilities stretched across six continents and more than 30 countries.

The Board Considers Paul to be an independent director.

### Board Recommendation

The Board (with Paul Rix abstaining) recommends that shareholders vote **IN FAVOUR** of Resolution 3 for the re-election of Paul Rix as a Director of the Company.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 3.

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## RESOLUTIONS 4, 5, 6 AND 7 - ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

### Background

The Company has previously implemented the Archer Exploration Performance Rights Plan (**Plan**) which provides for the issue of Rights to Directors, senior executives and employees of the Company and its associated body corporates.

The Plan is designed to provide the Company's employees, directors and executives with a performance linked incentive to maximize the return to Members over the long term and to assist in the attraction and retention of key employees, directors and executives.

Subject to the satisfaction of any performance conditions, the Rights result in the issue of Shares. A copy of the rules for the Plan (**Plan Rules**) is available on the Company's website [www.archerexploration.com.au/index.php?PID=107](http://www.archerexploration.com.au/index.php?PID=107).

In July 2016 the Company engaged an independent remuneration consultant to undertake a review of the Company's remuneration arrangements for its directors. As part of that review the consultant provided the Board with recommendations regarding Director's overall remuneration going forward, including appropriate non-cash long-term incentives. Following the review and associated recommendations provided to the Board, the Board has determined to include a non-cash incentive based component to each Director's remuneration to both preserve cash and to better aligning the interests of Directors with those of Shareholders.



## Explanatory Memorandum

### Reason for seeking approval

Resolutions 4 to 7 seek Member approval for the Company to issue each of Greg English, Tom Phillips AM, Alice McCleary and Paul Rix (**Participating Directors**) with 450,000 Rights (total of 1,800,000 Rights) and the subsequent issue of Shares upon the vesting and exercise of those Rights.

Under the ASX Listing Rule 10.14, shareholders are required to approve the issue of securities (including shares, performance rights, options over unissued shares and other convertible securities) to directors under an employee incentive scheme.

If approval of the issue of the Rights is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1. The issue of the Rights to Participating Directors will therefore not be included in the 15% calculation for the purposes of Listing Rule 7.1.

### Performance Rights - component of Director remuneration

The Rights, if approved for grant, will form part of each Participating Director's respective remuneration package. The Rights will be in addition to the respective executive salary payable to Mr English and the fees payable to the Non-Executive Directors.

The Board notes that the grant of the Rights to each of the Non-Executive Directors (Tom Phillips, Alice McCleary and Paul Rix) is contrary to the guidelines on non-executive director remuneration in Box 8.2 of Recommendation 8.3 of the ASX's Corporate Governance Principles and Recommendations.

The Board considers the grant of the Rights to the Participating Directors, to be reasonable and appropriate in the circumstances for the following reasons:

- the grant of Rights to Participating Directors is necessary to attract the highest caliber of professionals to the Company and retain them, whilst maintaining the Company's cash reserves;
- the Company is at a critical stage in its development and the Participating Directors have specific experience that will be invaluable to Archer in the development and commercialisation of its Leigh Creek Magnesite and Eyre Peninsula Graphite projects, so the Company considers the additional remuneration is warranted in the circumstances; and
- if the Performance Conditions required to be achieved for the Rights to be exercised, are not met, then the Rights will not be exercised into Shares and there will be no dilutive impact on Shareholders.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless Shareholder approval is obtained for the giving of the benefit, or the giving of the benefit falls within one of the exceptions in sections 210 to 216 of the Corporations Act.

Each of the Participating Directors is a related party of the Company under section 228(2) of the Corporations Act by virtue of being a Director. The grant of the Rights to the Participating Directors would constitute the giving of a financial benefit to them.

The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided in Section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Rights pursuant to section 208 of the Corporations Act.

If Resolutions 4, 5, 6 and 7 are approved, then each Participating Director in office at the date of the Annual General Meeting will have the following interests in the Company's securities:

| Director           | Shares    | Unlisted Options                                                                      | New Performance Rights |
|--------------------|-----------|---------------------------------------------------------------------------------------|------------------------|
| Greg English       | 9,076,644 | Nil                                                                                   | 450,000                |
| Thomas Phillips AM | 1,335,709 | 170,363 unlisted options exercisable at \$0.12 each on or prior to 30 June 2017       | 450,000                |
| Alice McCleary     | 2,298,627 | 170,363 unlisted options exercisable at \$0.12 each on or prior to 30 June 2017       | 450,000                |
| Paul Rix           | Nil       | 5,000,000 unlisted options exercisable at \$0.15 each on or prior to 31 January 2019. | 450,000                |



## Explanatory Memorandum

### ASX Listing Rule Requirements

ASX Listing Rule 10.15 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 10.14:

- a) The Rights will be issued under the Plan to the following Participating Directors of the Company: Greg English, Thomas Phillips, Alice McCleary and Paul Rix (or their respective nominees).
- b) A total of 1,800,000 Rights will be issued with 450,000 Rights being issued to each Participating Director. Each Participating Director can receive a maximum (subject to satisfaction of the relevant Performance Condition) of 150,000 Rights during each year of the three-year period.
- c) The Rights will be issued for nil consideration and no consideration is payable by the holder upon conversion of the Right to a Share. The Rights will be subject to the Performance Conditions and the Rights will only vest if the relevant Performance Condition is satisfied.
- d) There have been no issues of Rights to Directors, associates and other people named in Listing Rule 10.14 under the Plan since the Plan was last approved by shareholders at the Annual General Meeting held on 05 November 2014. However, the following Rights were issued to Directors for nil consideration after the gaining of Shareholder approval at the 2013 annual general meeting:

| Director        | Number of Rights issued | Number of Rights vested | Number of lapsed Rights |
|-----------------|-------------------------|-------------------------|-------------------------|
| Gerard Anderson | 832,500                 | 228,041                 | 604,459                 |
| Greg English    | 750,000                 | 125,000                 | 625,000                 |
| Tom Phillips    | 450,000                 | 75,000                  | 375,000                 |
| Alice McCleary  | 450,000                 | 75,000                  | 375,000                 |
| Total           | 2,482,500               | 503,041                 | 1,979,459               |

- e) The persons referred to in Listing Rule 10.14 whom are entitled to participate in the Plan include a full or part time employee of the Company and its related bodies corporate, a Director and or a consultant of the Company, determined as eligible by the Board from time to time.
- f) The issue of the Rights subject of Resolutions 4, 5, 6 and 7 will occur no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) but will vest upon meeting the required Performance Conditions.
- g) No loan has been provided to any Participating Director in relation to the issue of the Rights.
- h) See Appendix A for key terms of the Plan and Appendix B for Performance Conditions that apply to the Rights.
- i) A voting exclusion statement is included in this Notice.

### Board Recommendation – Resolutions 4 to 7.

Mr English has a material personal interest in the outcome of Resolution 4 and declines to make any recommendation in relation to that Resolution. Mr Phillips has a material personal interest in the outcome of Resolution 5 and declines to make any recommendation in relation to that Resolution. Ms McCleary has a material personal interest in the outcome of Resolution 6 and declines to make any recommendation in relation to that Resolution. Mr Rix has a material personal interest in the outcome of Resolution 7 and declines to make any recommendation in relation to that Resolution.

Further, in accordance with ASIC guidance on the matter, each Director considers that it is not appropriate for him or her to make a recommendation in relation to the remuneration of another Director. Accordingly, all Directors decline to make any recommendation to Shareholders in relation to Resolution 4, Resolution 5, Resolution 6 and Resolution 7.

A voting exclusion statement for Resolutions 4-7 is set out in the Notice.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 4, Resolution 5, Resolution 6 and Resolution 7.

## Explanatory Memorandum

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### RESOLUTION 8 - APPROVAL TO ISSUE UP TO 20,000,000 NEW SHARES

#### Background to Resolution 8

The Board seeks Shareholder approval for a Share placement facility to allow for the issue of up to 20,000,000 new Shares.

#### Listing Rule Requirements

The Company seeks to have the flexibility to issue Shares to allow this number of Shares not to be included in the calculation under Listing Rule 7.1. This will enable the Company to have the flexibility to new Shares during the 3 months after the Meeting without the requirement to obtain prior Shareholder approval.

#### Listing Rule Disclosure Requirements

Listing Rule 7.3 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- a) The maximum number of securities to be issued is 20,000,000 Shares.
- b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- c) The Shares will be issued at a price that is at least 80% of the average market price of Shares calculated over the last 5 days on which sales of the Shares were recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the 5 days on which sales of Shares are recorded before the date of the prospectus.
- d) The names of the proposed allottees are not known and the quantity of the Shares to be issued to each allottee is not known. The Company intends (but without limitation) to issue the Shares to institutional, sophisticated and professional investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act. The Shares will not be issued to Directors or other related parties.
- e) The Shares issued will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.
- f) The Company intends to use the funds raised from the issue of the Shares to assist funding the exploration and development of the Eyre Peninsula Graphite, Leigh Creek Magnesite, and Mount James Barite Projects and for general working capital which may also be applied towards the Company's other exploration projects.
- g) It is intended that the Shares will be allotted on several dates during the 3 month period specified in paragraph (b) above.

#### Effect of Shareholder approval of Resolution 8

If Shareholders approve the Resolution 8, then the Company will then have the flexibility to issue up to 20 million new Shares during the 3 month period after the Meeting if an opportunity arises which the Board believes is in the best interests of the Company. For the purpose of Listing Rule 7.1, the issue of these Shares would not make up part of the 15% limit and would enable that proportion of the 15% limit to be used for a future issue of equity securities.

#### If Resolution 8 is not approved

If Shareholders do not approve Resolution 8, then the Company's ability to issue further securities in the 3 month period following the Annual General Meeting, without Shareholder approval, will be reduced. However, the Company may still issue further Shares within the limit of the existing 15% capacity within Listing Rule 7.1 without seeking shareholder approval.

#### Recommendation

The Board recommends that shareholders vote **IN FAVOUR** of Resolution 8 for the granting of authority to issue additional shares as outlined above.

A voting exclusion statement for this Resolution 8 is set out in the Notice.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 8.

## Explanatory Memorandum

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### RESOLUTION 9 - APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

#### Background to Resolution 9

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting at which approval of the issue is obtained (10% Placement Capacity). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of this Notice of Annual General Meeting and must remain compliant with the requirements of Listing Rule 7.1A at the date of the Meeting to be able to utilise the additional capacity to issue Equity Securities under that Listing Rule.

The Company is now seeking shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Capacity. The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

#### Number of Shares

The formula for calculating the maximum amount of securities to be issued under the 10% Placement Capacity is calculated as follows:

$$(A \times D) - E$$

**A** is the number of fully paid ordinary shares on issue 12 months before the date of issue:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4 (excluding an issue of shares under the Company's 15% placement capacity without Shareholder approval);
- less the number of fully paid ordinary shares cancelled in the 12 months.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under this Listing Rule 7.1A.2 in the 12 months before the date of the issue and that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1

At the date of this Notice, the Company has on issue 110,194,306 Shares and therefore has capacity to issue:

- 1) 16,529,146 Equity Securities under Listing Rule 7.1 and
- 2) 11,019,430 Equity Securities under Listing Rule 7.1A (subject to approval of this Resolution 9).

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in the table below.

#### Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

##### 1) Minimum issue price

For the purpose of Listing Rule 7.1A.3, the issue price of Equity Securities under this 10% Placement Capacity will be no less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the price at which the securities are to be issued is agreed; or
- ii) if the securities are not issued within 5 trading days of the date in paragraph i), the date on which the securities are issued.

##### 2) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of unlisted options, only if the unlisted options are exercised).

## Explanatory Memorandum

There is a risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the approval under rule 7.1A; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below describes the potential dilution of existing ordinary security holders on the basis of at least three different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2, and also shows:

- i) at least one example that assumes variable "A" is double the number of ordinary securities on issue at the time of the approval under rule 7.1A. Variable "A" is the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) at least one example where the issue price of ordinary securities has fallen by at least 50%.

| Variable 'A' in Listing rule 7.1A.2                              |                     | Dilution                   |                          |                            |
|------------------------------------------------------------------|---------------------|----------------------------|--------------------------|----------------------------|
|                                                                  |                     | \$0.0355<br>(50% decrease) | \$0.071<br>(Issue Price) | \$0.142<br>(100% increase) |
| <b>Current Variable A</b><br>110,171,038 Shares                  | 10% voting dilution | 11,017,103 Shares          | 11,017,103 Shares        | 11,017,103 Shares          |
|                                                                  | Funds raised        | \$391,107                  | \$782,214                | \$1,564,428                |
| <b>50% increase in current Variable A</b><br>165,256,557 Shares  | 10% voting dilution | 16,525,655 Shares          | 16,525,655 Shares        | 16,525,655 Shares          |
|                                                                  | Funds raised        | \$586,660                  | \$1,173,321              | \$2,346,643                |
| <b>100% increase in current Variable A</b><br>220,342,076 Shares | 10% voting dilution | 22,034,207 Shares          | 22,034,207 Shares        | 22,034,207 Shares          |
|                                                                  | Funds raised        | \$782,214                  | \$1,564,428              | \$3,128,857                |

The table has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
- ii) No unlisted options (including any unlisted options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities;
- iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or as a result of any issues of Equity Securities pursuant to any other approval under Chapter 7 of the Listing Rules.
- vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- vii) The issue price is \$0.071, being the closing price of the Shares on ASX on 07 September 2016.

### 3) Timing

The date by which the Equity Securities may be issued is the earlier of:

- i) the date that is 12 months after the date of this Annual General Meeting; and
- ii) the date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (change involving main undertaking).

The approval will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (change involving main undertaking).

## Explanatory Memorandum

### 4) Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities for the following purposes:

- 1) non-cash consideration for the acquisition of the new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- 2) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new resources, assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Additional Placement Capacity.

### 5) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 1) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- 2) the effect of the issue of the Equity Securities on the control of the Company;
- 3) the financial situation and solvency of the Company; and
- 4) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

### 6) Previously obtained approval under rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2015 AGM on 13 November 2015. As such, for the purposes of rule 7.3A.6:

- a) the total number of Equity Securities issued in the 12 months preceding the date of the meeting is 52,465,427 and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 62%;
- b) details of all issues of Equity Securities issued by the Company during the 12 months preceding the date of the meeting, including for each such issue the required information under Listing Rule 7.3A.6(b) is set out in the table below:

| Date of Issue | Number and Class of Equity Securities and Summary of key terms                                                                                                                                                                                                                                                                  | Details of recipients           | Issue Price and discount                  | Consideration                                                        |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------|----------------------------------------------------------------------|
| 14 Jun 2016   | 25,429,453 Shares<br>Shares issued on the same terms and conditions as existing Shares.<br>Funds raised are being used to progress the development of the Company's Leigh Creek magnesite and Eyre Peninsula graphite projects, and to provide the Company with working capital to enable it to support its current operations. | Applicants under the SPP        | \$0.08 per share (approx. 3.6% discount ) | \$2,034,356                                                          |
| 12 Aug 2016   | 22,035,974 unlisted options ( <b>SPP Options</b> ), exercisable at \$0.12 on or before 30 June 2017 issued on the terms set out in the prospectus dated 27 June 2016 ( <b>Prospectus</b> ).                                                                                                                                     | Applicants under the Prospectus | Nil issue price.                          | Issued as free attaching options pursuant to the Prospectus.         |
| 12 Aug 2016   | 5,000,000 unlisted options ( <b>Rix Options</b> ), exercisable at \$0.15 on or before 31 January 2019 and issued on the terms set out in the Notice of General Meeting dated 01 July 2016.                                                                                                                                      | Paul Rix                        | Nil issue price.                          | Issued as consideration for the termination of a Services Agreement. |

### Board Recommendation

The Board considers that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required.

Accordingly, the Directors unanimously recommend that Shareholders vote **IN FAVOUR** of Resolution 9.

A voting exclusion statement for this Resolution 9 is set out in the Notice.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 9.

# Explanatory Memorandum

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## DEFINITIONS

In the Explanatory Memorandum and Notice of Annual General Meeting:

**Archer** or the **Company** means Archer Exploration Limited (ABN 64 123 993 233).

**ASX** means ASX Limited (ABN 98 008 624 691).

**Board** means the board of Directors.

**Closely Related Party** has the same meaning as in the Corporations Act.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Director** means a director of the Company.

**Equity Securities** has the same meaning as in the Listing Rules.

**Key Management Personnel** means a member of the key management personnel as disclosed in the Remuneration Report.

**Listing Rules** means the listing rules of ASX.

**Meeting** means the Annual General Meeting of Shareholders to be held at Level 1, 67 Greenhill Road, Wayville South Australia 5034, on 28 October 2016 at 10.00 am (Adelaide time).

**Member** or **Shareholder** means each person registered as the holder of a Share.

**Non-Executive Directors** means Alice M<sup>c</sup>Cleary, Tom Phillips and Paul Rix.

**Notice** means this Notice of Annual General Meeting.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

**Participating Directors** means Greg English, Alice M<sup>c</sup>Cleary, Tom Phillips and Paul Rix.

**Performance Conditions** means vesting conditions detailed in Appendix B.

**Rights** or **Performance Rights** means a right to receive a Share for each right at no cost.

**Resolution** means a resolution referred to in this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Special Resolution** means a resolution passed by 75% or more of the votes at a general meeting of Shareholders.

**SPP** means the Company's Share Purchase Plan dated 18 May 2016.

**VWAP** means volume weighted average market price.



## Explanatory Memorandum

### Appendix A – Terms and conditions of Rights to be issued to Participating Directors

- 1) Each Right will entitle the holder of the Right (Holder) to subscribe for one Share in the Company (subject to possible adjustments referred to in paragraphs 7, 8 and 9 below).
- 2) Each Right will expire on 31 July 2019. Rights will only vest upon the satisfaction of service and share price performance conditions.
- 3) There is no exercise price on vesting.
- 4) Shares issued pursuant to the vesting of the Rights will rank in all respects on equal terms with the existing Shares in the Company.
- 5) The Company will not seek to have the Rights admitted to the official list of ASX and the Rights will not be listed on ASX. The Company will make application for new Shares allotted on vesting of the Rights to be admitted to the official list of ASX.
- 6) Holders of Rights cannot transfer, or use them as security for a loan or deal with them in any other way.
- 7) Rights will not entitle the Holder to participate in any new issue of securities by the Company unless the Right has been duly vested prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be at least six business days after the date the issue is announced.
- 8) If there is a bonus issue to the holders of Shares, the number of Shares over which the Right is exercisable will be increased by the number of Shares which the Holder would have received if the Rights had been exercised before the record date for the bonus issue.
- 9) If, prior to the expiry date, the issued capital of the Company is reorganised, the number of Shares to which a Holder is entitled on exercise of a Right will be reconstructed as required by the ASX Listing Rules.

### Appendix B – Performance Conditions (for vesting of Performance Rights)

If the Board determines the Performance Conditions are satisfied and gives notice in writing, the Rights will become vested and may be exercised on and from the date the holder of the Right receives such notice. On vesting and exercise of the Rights, new Shares may be issued or existing shares acquired on-market.

The Board has determined that the Rights to be granted to Mr English, Mr Phillips, Ms McCleary and Mr Rix (if approval is received) will vest and may become exercisable if the following Performance Conditions are satisfied:

- 1) a service condition; and
- 2) a share price performance condition.

#### **Service condition**

To satisfy the service condition, the Director must be employed by a member of Archer Exploration Group on the date of grant and must remain employed by a member of the Archer Exploration Group on the third anniversary of the date of the grant (or such other date as the Board determines at the time of grant). If the Director leaves the Company as a 'good leaver' before the end of the service condition period, then the Company's policy will apply (see below).

#### **Share price performance condition**

The share price performance condition is the share price performance as compared to the ASX Small Ordinaries Resources Index (ASXR). The Company share price performance for each of the three years commencing 1 July 2016 to 30 June each year will be compared to ASX Small Ordinaries Resources Index (ASXR) movement for the same 12 months over the three year period. The level of performance required for each level of vesting and the percentage vesting associated with each level of performance are set out in the table below.

| <b><i>Archer Exploration Ranking versus ASX Small Ordinaries Resources Index (ASXR)</i></b> | <b><i>% of Maximum Award</i></b> |
|---------------------------------------------------------------------------------------------|----------------------------------|
| Below the 100th percentile                                                                  | 0% vest                          |
| Between the 100th and 125th percentile                                                      | 50% vest                         |
| Between the 125th and 150th percentile                                                      | 75% vest                         |
| At or above 150th percentile                                                                | 100% vest                        |



## Explanatory Memorandum

In addition to each level of performance set out in the above table, the Board has decided that the share price performance condition will not be met if the Company's share price at 30 June in a particular year is below the Company's share price on 1 July of the preceding year.

No Rights will vest if the Company share price performance does not meet thresholds detailed above.

The number of Rights which may vest in any given year will be calculated as follows:

$$A = (B \div 3)$$

Where:

A = number of Rights which will vest

B = Number of Rights granted

### ***Example calculation***

An example of the calculation of the Rights to be vested if the Performance Conditions are met is shown below:

If it is assumed that the Company's VWAP over the five trading days up to 30 June 2017 was \$0.12, Company share price on 1 July 2016 was \$0.08 and ASX Small Ordinaries Resources Index (ASXR) increase for the 12 months ended 30 June 2017 was 10.0%, then the number of Rights which vest on or close to 1 July 2017 for the 2016/17 financial year would be 150,000 calculated as follows:

$$A = (C \times D)$$

Where:

C = 150,000 Rights (being 1/3 of 450,000 rights granted)

D = 100% as VWAP exceeded ASX Small Ordinaries Resources Index (ASXR) by more than 150%

Therefore:

$$A = 150,000 \times 100\% = 150,000$$

The Board may round the number of Rights determined under the above formula up or down as appropriate.

The Rights lapse if and to the extent the Performance Conditions are not met prior to their expiry date. There is no re-testing.

Additional terms and conditions of the Rights are detailed in Appendix A and the Plan Rules.



# Archer Exploration Limited

ABN: 64 123 993 233

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 738 349  
(outside Australia) +61 3 9415 4649

## Proxy Form

XX

|                                                                                                                                                                                                                                                                                                                                                                            |                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|  <b>Vote and view the annual report online</b> <ul style="list-style-type: none"><li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li><li>• Follow the instructions on the secure website to vote.</li></ul> |  |
| <b>Your access information that you will need to vote:</b> <p><b>Control Number:</b></p> <p><b>SRN/HIN:</b></p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>                                                                                                                                                          |                                                                                      |

 **For your vote to be effective it must be received by 10:00am (Adelaide time) on Wednesday 26 October 2016**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Archer Exploration Limited hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Archer Exploration Limited to be held at **Level 1, 67 Greenhill Road, Wayville, South Australia on Friday 28 October 2016 at 10:00am (Adelaide time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 4, 5, 6 and 7** (except where I/we have indicated a different voting intention below) even though **Items 1, 4, 5, 6 and 7** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 4, 5, 6 and 7** by marking the appropriate box in step 2 below.

## STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| ORDINARY BUSINESS |                                                      |  | For                      | Against                  | Abstain                  | SPECIAL BUSINESS |                                               |  | For                      | Against                  | Abstain                  |
|-------------------|------------------------------------------------------|--|--------------------------|--------------------------|--------------------------|------------------|-----------------------------------------------|--|--------------------------|--------------------------|--------------------------|
| 1                 | Remuneration Report                                  |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9                | Approval of 10% Additional Placement Capacity |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2                 | Re-Election of Alice McCleary as a Director          |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |                                               |  |                          |                          |                          |
| 3                 | Re-election of Paul Rix as a Director                |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |                                               |  |                          |                          |                          |
| 4                 | Issue of Performance Rights to Mr Gregory English    |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |                                               |  |                          |                          |                          |
| 5                 | Issue of Performance Rights to Mr Thomas Phillips AM |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |                                               |  |                          |                          |                          |
| 6                 | Issue of Performance Rights to Ms Alice McCleary     |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |                                               |  |                          |                          |                          |
| 7                 | Issue of Performance Rights to Mr Paul Rix           |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |                                               |  |                          |                          |                          |
| 8                 | Approval to Issue up to 20,000,000 New Shares        |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |                                               |  |                          |                          |                          |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN

**Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /