

ASX Announcement (ASX:**AXE**)

8 December 2017

SA Government grants graphite mining tenements

Archer Exploration Limited (ASX:AXE) is pleased to announce that the South Australian Government has today granted to Pirie Resources Pty Ltd (**Pirie**), a wholly owned subsidiary of Archer, the following mining tenements (together the **Mining Tenements**):

- Campoona Mining Lease, the site of the proposed Campoona Shaft graphite mine (ML 6470).
- Sugarloaf Graphite Processing Facility Miscellaneous Purposes Licence (MPL 150).
- The Pindari Borefield Miscellaneous Purposes Licence (MPL 151).

Archer's Executive Chairman, Mr Greg English: "The grant of the Mining Tenements is a very significant milestone for Archer in the development of the high grade Campoona Shaft graphite deposit."

"With an exceptional resource, Campoona Shaft is a valuable and strategic asset with the potential to make a significant contribution to Archer shareholders from our maiden mining and revenue stream."

"The South Australian Government has publicly supported mining on multiple occasions and South Australia has been ranked as the world's 13th most favourable mining jurisdiction in recent Fraser Institute survey. Given rising geopolitical risks in Tanzania and other regions that produce graphite, we expect that our potential customers will value the supply security that Archer can offer." said Archer's Executive Chairman, Greg English.

Project background

The Mining Tenements form part of the Company's 100% owned Eyre Peninsula Graphite Project (**Project**), located approximately 20km from Cleve, South Australia.

The Mining Lease (ML 6470) covers an area of approximately 68ha and includes the Campoona Shaft graphite deposit – one of several such advanced deposits within the Company's broader Eyre Peninsula Graphite Project.

The Mining Lease, Archer's first for this Project, is accompanied by a miscellaneous purposes licence (MPL 150) for graphite and graphene processing infrastructure at nearby Sugarloaf (including treatment plant, site office, power station, workshop, water supply and tailings storage facility) and a second miscellaneous purposes licence (MPL 151) for the purpose of sourcing processing water from the nearby Pindari Borefield.



Figure 1: Archer's 100% owned Sugarloaf property and site of Sugarloaf Graphite and Graphene Processing Plant.

The grant of the Mining Tenements, the recent acquisition of the Carbon Allotropes online graphite / graphene market place, the appointment of Mohammad Choucair as CEO and the recent increase in world graphite prices has Archer well positioned to move the Eyre Peninsula Graphite Project to the next stage.

Recent changes to mining legislation in Tanzania and moves toward nationalisation in foreign jurisdictions further enhances the attractiveness of South Australia as a safe mining jurisdiction and vindicates Archer's decision to pursue a graphite mining project in South Australia.

For further information, please contact:

Mr Greg English
Chairman
Archer Exploration Limited
Tel: (08) 8272 3288

Mr Cary Helenius
Investor Relations
Market Eye
Tel: 03 9591 8906

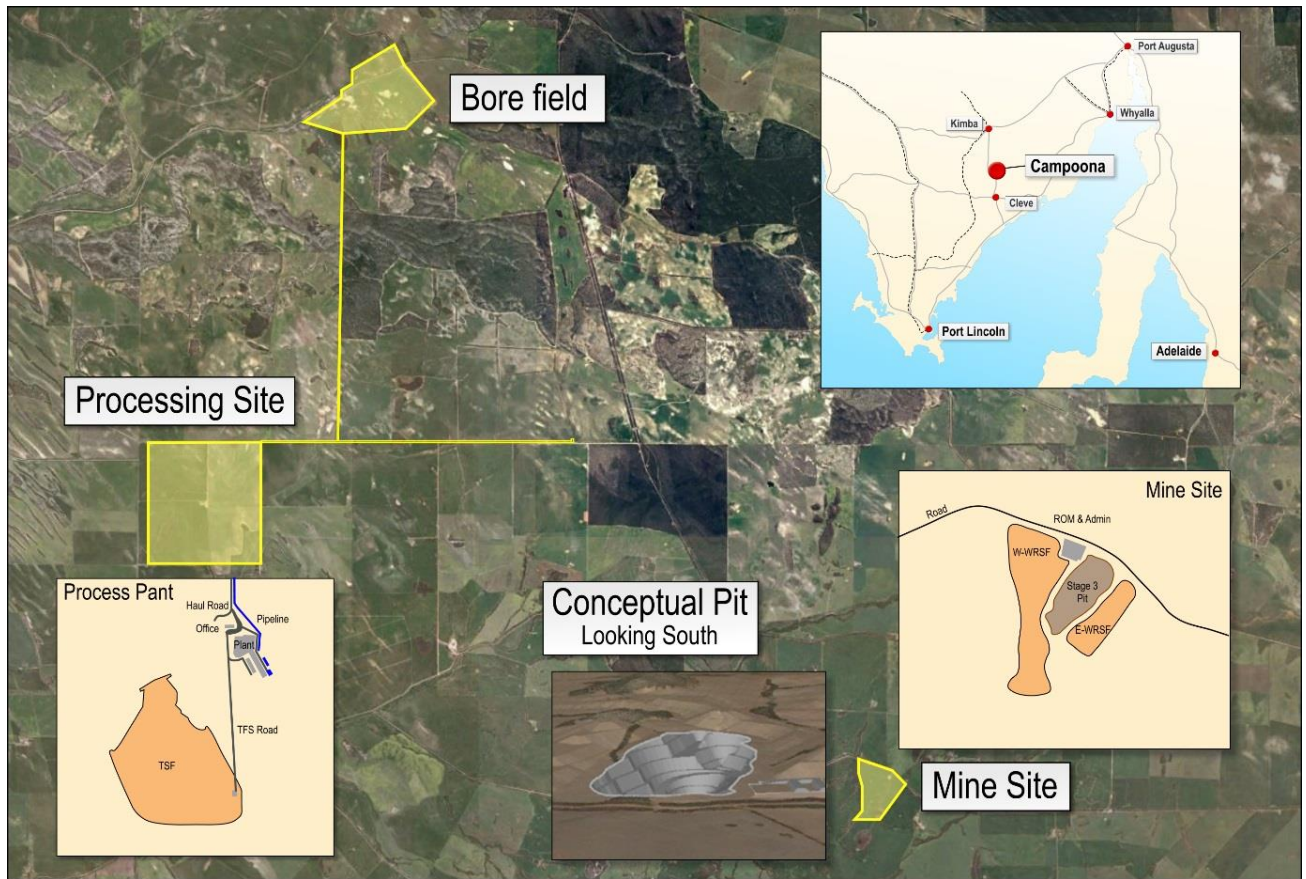


Figure 2: Campoonna Graphite Project infrastructure layout