

ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES  
ABN 64 123 993 233



# Financial Report

Half-year ended  
31 December 2014

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

**ABN: 64 123 993 233**

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## **DIRECTORS' REPORT**

Your Directors present the financial report for Archer Exploration Limited and its consolidated entities ("Group") for the half-year ended 31 December 2014.

### **Directors**

The names of each person who has been a Director during this period and to the date of this report are:

- Gregory David English
- Thomas Robin Phillips AM
- Alice McCleary
- Gerard Anderson

### **Company Secretary**

- Damien Connor

### **Review of Operations**

During the half-year ended 31 December 2014 the Group incurred a loss of \$329,606 (2013: loss \$478,758).

Exploration activities during the six months ended 31 December 2014 focused on exploration of the Group's Eyre Peninsula Graphite Project which includes the newly acquired EL4662 Waddikee tenement, the Leigh Creek Magnesite deposits and the Spring Creek copper prospect. All projects are located in South Australia.

The following summary lists the operational activities for the half-year ended 31 December 2014:

### **GRAPHITE**

- Substantial progress was made on studies to support the Campoona Mining Lease Proposal (MLP) planned to be submitted to government around March 2015. As at 31 December 2014 the MLP was estimated at 85% complete with only the final mine plan (including Mine Closure Plan) and tailings design and management remaining to be completed.
- Archer purchased Waddikee EL4662 from Monax Mining Limited (ASX:MOX) for \$300,000. Waddikee is contiguous with and lies to the north of Archer's graphite interests. The acquisition provided:
  - The Wilclo South graphite deposit with a JORC 2012 Inferred Resource of 6.38 million tonnes grading 8.8% GC (using a 5% GC lower cut-off grade) for over 561,000 tonnes of contained graphite in Resource. The Resource drilling covered just 1.4kms of a ≈ 14 kilometre pronounced linear EM signature.
  - Substantial exploration upside as Waddikee has 7 additional graphite prospects and numerous EM targets not yet drill tested.
  - Large to jumbo flake indicated from petrology at Wilclo, Cut-Snake and Argent.

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- Archer announced Australia's largest JORC 2012 graphite resource of 8.55Mt @ 9.0 Cg% (based on cut-off grade of 5% Cg) containing 770,800 tonnes of contained graphite.
- A short scout drilling programme designed to identify those Waddikee graphite prospects capable of delivering large flake graphite commenced late in the period. Results are expected during January/February 2015.
- Metallurgical process flowsheet designed for Campoona Shaft ores.
- Chemical cleaning of concentrates achieved purity >98.5% Cg.
- A composite RC sample (drill hole WG045) from the oxide zone of the Wilclo South graphite deposit produced extra large, large, medium and fine flake graphite at grades of 91-93% Cg. The shape of the recovered flake particles showed a high degree of graphite release from the predominantly quartz gangue, which infers potential for efficient recovery of graphite at relatively coarse grind sizes. Small scale laboratory tests inferred that 42-55% of the graphite is recoverable as flake products. Indicative flake distribution from the oxide profile at Wilclo South is shown in the Table below:

Graphite size (µm)	Grade (% Cg)	Graphite distribution in flake product (%)
Extra large / Jumbo flake +425µm	92.2	5%
Extra large flake +300µm	91.6	10%
Large flake +180µm	91.8	29%
Fine & Medium flake +75µm	92.3	56%

Concentrate was recovered through conventional mineral separation processes including grinding in a rod mill, froth flotation, and then sieved into sized fractions before batch beneficiation on a shaking table and Haultain super-panner.

The expectation is that concentrate grades from Wilclo South will improve with further process steps such as light regrinding and re-cleaner stages of flotation and tabling.

- Research undertaken by the University of Adelaide is part of ongoing collaboration between Archer and the University of Adelaide, School of Chemical Engineering (Prof Dusan Losic Nano Research Group). Archer is sole funding the \$200,000 research funding over two years which will confer exclusive rights to license any commercial applications arising from the program.

Graphite samples from the Campoona and Sugarloaf graphite deposits were characterized to determine mineral composition, graphitic carbon concentration and impurities as inputs into optimizing processing conditions for the production of graphene based products.

The research focused on the modification of Sugarloaf graphite and Sugarloaf derived graphene as a mechanism for the capture and slow release of nitrogen, phosphorus and potassium (NPK) and other trace elements to test the materials capability of providing a slow release of nutrients.

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Eighteen formulations were prepared using graphene, graphene oxide and expanded graphite. Following pelletizing, release studies will be conducted and monitored over a two-three month period under various leaching conditions. Results will be compared with commercially available products.

- Archer reached agreement with Samphire Uranium Pty Ltd, a wholly owned subsidiary of Uranium SA Limited, to transfer the title to EL4693 Wildhorse Plain to Pirie Resources Pty Ltd, a wholly owned subsidiary of Archer Exploration Limited. On the 3 February 2015, Archer Exploration Limited issued 250,000 fully paid ordinary shares to UraniumSA Limited, as full consideration payable upon the transfer of title of EL4693 (ASX release 3 February 2015).

### **MAGNESITE**

- Archer and Foyson Resources Limited entered into a confidential settlement agreement to settle all disputes between them concerning the Leigh Creek Magnesite Project.
- Ernst & Young completed a strategic review of the Leigh Creek assets.
- The Leigh Creek Magnesite Project has been offered for sale.

### **SPRING CREEK**

- Preparations have been made to request access to the historic high grade copper mine (+10% Cu) for the purpose of diamond drill testing. The historic Spring Copper mine occurs on ELA 2014/025 (formerly EL 4249).

Copper mining ceased in 1918 when the mine de-watering pump failed and the mine flooded. The government of the day determined that the operator had 12 months to reactivate the mine or face forfeiture. The mine was handed to SA Water in 1919 and established as the source of water for the town of Wilmington. Water is currently pumped from the mine workings at the Main Shaft.

Archer plans to drill test the copper mineralisation to determine if economic copper exists in the breccia zone. Meetings were held with SA Water regarding access to the mine which is now used to supply water to the township of Wilmington. Further discussions will be held with DEH and SA Water to develop protocols to access and sample the mine workings and to drill two diamond drill holes to test the tenor of remaining oxide copper mineralization.

### **EVENTS SUBSEQUENT TO REPORTING DATE**

- On the 30 January 2015, \$350,102 was received from the Australian Tax Office in respect of the Company's research and & development tax incentive for the year ended 30 June 2014. A receivable in respect of this amount has been recorded in the statement of financial position for the half year ended 31 December 2014.
- On the 3 February 2015, Archer Exploration Limited issued 250,000 fully paid ordinary shares to UraniumSA Limited, as full consideration payable upon the transfer of title of EL4693 Wildhorse Plain from Samphire Uranium Pty Ltd (a wholly owned subsidiary of UraniumSA Limited) to Pirie Resources Pty Ltd (a wholly owned subsidiary of Archer Exploration Limited), pursuant to the Wildhorse Plain Agreement dated 12 November 2014. The fair value of the shares issued was \$24,500.

There are no further material event subsequent to the half-year ended 31 December 2014.

## ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES

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### Auditor's Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.



**Greg English**  
Chairman

### Adelaide

Dated this 18<sup>th</sup> day of February 2015

*The Archer exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenhagen, Exploration Manager of Archer Exploration Limited. Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than eighteen years experience in the field of activity being reported. Mr Bollenhagen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" relating to the reporting of Exploration Results. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

*The information in this report that relates to the Campoona Shaft and Central Campoona JORC 2012 Mineral Resource estimation has been prepared by Mr B. Knell who is a Member of the AusIMM and peer reviewed by Dr. C Gee who is also a Member of the AusIMM (CP). Mr Knell is a full time employee of Mining Plus Pty Ltd and Dr. Gee is a full time employee of Mining Plus Pty Ltd., both have more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Knell has consented in writing to the inclusion in this announcement of the Mineral Resource estimation information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2012.*

AUDITOR'S INDEPENDENCE DECLARATION



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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF ARCHER EXPLORATION LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Archer Exploration Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in blue ink, appearing to read "J L Humphrey".

J L Humphrey  
Partner – Audit & Assurance

Adelaide, 18 February 2015

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

		<b>CONSOLIDATED GROUP</b>	
		<b>31 Dec</b>	<b>31 Dec</b>
		<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
<b>REVENUES FROM ORDINARY ACTIVITIES</b>			
Income	2	81,363	196,074
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
Depreciation and amortisation expense		(12,199)	(8,820)
Employee benefits expense		(258,672)	(380,296)
ASX listing and share registry expense		(41,713)	(49,034)
Consulting expense		(63,373)	(30,000)
Other expenses from ordinary activities		(385,114)	(206,682)
<b>LOSS BEFORE INCOME TAX EXPENSE</b>		<b>(679,708)</b>	<b>(478,758)</b>
Income tax benefit		350,102	-
<b>LOSS FOR THE PERIOD</b>		<b>(329,606)</b>	<b>(478,758)</b>
<b>LOSS ATTRIBUTED TO MEMBERS OF THE PARENT ENTITY</b>		<b>(329,606)</b>	<b>(478,758)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(329,606)</b>	<b>(478,758)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY</b>		<b>(329,606)</b>	<b>(478,758)</b>
		Cents	Cents
<b>Basic loss per share</b>		(0.4)	(0.6)
<b>Diluted loss per share</b>		(0.4)	(0.6)

The accompanying notes form part of the financial statements.



**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

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**STATEMENT OF FINANCIAL POSITION – AS AT 31 DECEMBER 2014**

		<b>CONSOLIDATED GROUP</b>	
	<b>NOTES</b>	<b>31 Dec</b>	<b>30 June</b>
		<b>2014</b>	<b>2014</b>
<b>ASSETS</b>		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,045,903	5,565,161
Trade and other receivables		468,982	103,345
Total current assets		<u>3,514,885</u>	<u>5,668,506</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,316,934	1,332,627
Exploration and evaluation expenditure	3	11,060,927	9,226,417
Total non-current assets		<u>12,377,861</u>	<u>10,559,044</u>
<b>TOTAL ASSETS</b>		<u>15,892,746</u>	<u>16,227,550</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		324,067	326,615
Short-term provisions		68,129	180,993
Total current liabilities		<u>392,196</u>	<u>507,608</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions		79,657	19,337
Total non-current liabilities		<u>79,657</u>	<u>19,337</u>
<b>TOTAL LIABILITIES</b>		<u>471,853</u>	<u>526,945</u>
<b>NET ASSETS</b>		<u><b>15,420,893</b></u>	<u><b>15,700,605</b></u>
<b>EQUITY</b>			
Issued capital	4	15,706,408	15,706,408
Reserves		235,921	186,027
Retained earnings		(521,436)	(191,830)
<b>TOTAL EQUITY</b>		<u><b>15,420,893</b></u>	<u><b>15,700,605</b></u>

The accompanying notes form part of the financial statements.

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

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**STATEMENT OF CHANGES IN EQUITY – FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>Issued Capital</b>	<b>Retained Earnings</b>	<b>Share Based Payments Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALANCE AT 1 JULY 2013</b>	15,456,408	101,571	381,701	15,939,680
Fair value of performance rights issued	-	-	123,515	123,515
Shares issued during the period (net of tax)	250,000	-	-	250,000
Total comprehensive income for the period	-	(478,758)	-	(478,758)
<b>BALANCE AT 31 DECEMBER 2013</b>	<b>15,706,408</b>	<b>(377,187)</b>	<b>505,216</b>	<b>15,834,437</b>
<b>BALANCE AT 1 JULY 2014</b>	15,456,408	(191,830)	186,027	15,700,605
Fair value of performance rights issued	-	-	49,894	49,894
Total comprehensive income for the period	-	(329,606)	-	(329,606)
<b>BALANCE AT 31 DECEMBER 2014</b>	<b>15,706,408</b>	<b>(521,436)</b>	<b>235,921</b>	<b>15,420,893</b>

The accompanying notes form part of the financial statements.

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

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**STATEMENT OF CASH FLOWS – FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>CONSOLIDATED GROUP</b>	
	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2014</b>	<b>2013</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>\$</b>	<b>\$</b>
Payments to suppliers and employees	(772,181)	(657,539)
Interest received	62,063	157,789
Other revenue	-	37,544
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>(710,118)</b>	<b>(462,206)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration expenditure	(1,801,640)	(1,101,247)
Payment for plant and equipment	(7,500)	(485)
Payments for land and buildings	-	(16,426)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(1,809,140)</b>	<b>(1,118,158)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	250,000
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>250,000</b>
 Net (decrease) in cash held	(2,519,258)	(1,330,364)
Cash at beginning of period	5,565,161	8,555,649
<b>CASH AT 31 DECEMBER 2013</b>	<b>3,045,903</b>	<b>7,225,285</b>

The accompanying notes form part of the financial statements.

## NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Archer Exploration Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half-year.

### Significant Accounting Policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2014, except for the application of the following standards as of 1 July 2014:

- AASB 1031: Materiality
- AASB 2013-9, Conceptual Framework, Materiality and Financial Instruments
- AASB 2014-2, Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements
- AASB 2014-1, Amendments to Australian Accounting Standards Part A, B and C

These standards make changes to a number of existing Australian Accounting Standards and are not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports.

Management has reviewed the new requirements of the above standards and has concluded that there is no effect on the classification or presentation of balances.

## NOTE 2 – REVENUE

	CONSOLIDATED GROUP	
	6 months to 31 December 2014 \$	6 months to 31 December 2013 \$
Interest income	62,063	157,789
Other income	19,300	38,285
<b>TOTAL REVENUE</b>	<b>81,363</b>	<b>196,074</b>

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>CONSOLIDATED GROUP</b>	
	<b>31 December 2014 \$</b>	<b>30 June 2014 \$</b>
<b>NOTE 3 – EXPLORATION AND EVALUATIONS EXPENDITURE</b>		
Balance at the beginning of the period	9,226,417	6,421,739
Amounts capitalised during the period	1,834,510	2,889,843
Amounts expensed during the period	-	(85,165)
<b>Balance at the end of the period</b>	<b>11,060,927</b>	<b>9,226,417</b>
<b>NOTE 4 – ISSUED CAPITAL</b>		
<b>31 DECEMBER 2014</b>	<b>Number of shares</b>	<b>31 December 2014 \$</b>
<b>(a) issued and paid up capital</b>		
Fully paid ordinary shares	84,207,409	15,706,408
<b>(a) Movements in fully paid shares</b>		
Balance as at 1 July 2014	83,612,763	15,456,408
Shares issued from vested performance rights	657,646	-
Balance as at 31 December 2014	84,207,409	15,706,408
<b>30 JUNE 2014</b>	<b>Number of shares</b>	<b>30 June 2014 \$</b>
<b>(a) issued and paid up capital</b>		
Fully paid ordinary shares	83,612,763	15,706,408
<b>(a) Movements in fully paid shares</b>		
Balance as at 1 July 2013	82,362,763	15,456,408
Shares issued from the exercise of options	1,250,000	250,000
Balance as at 30 June 2014	83,612,763	15,706,408

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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**NOTE 5 – SHARE BASED PAYMENTS**

<b>Performance Rights</b>	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>Number of Performance Rights</b>	<b>Number of Performance Rights</b>
Balance at the beginning of the period	3,410,132	-
Granted during the period	-	3,410,132
Vested during the period	(657,646)	-
lapsed/cancelled during the period	(429,605)	-
<b>Balance at the end of the period</b>	<b>2,322,881</b>	<b>3,410,132</b>

The total fair value of for the 3,410,132 rights issued to date is \$386,734 and is being expensed over 3 years, commencing on 1 July 2013. An amount of \$49,894 has been included in the Statement of Profit or Loss and Other Comprehensive Income under employee benefits expense for the half year ended 31 December 2014 (31 December 2013: \$123,515).

**NOTE 6 – OPERATING SEGMENTS**

The Directors have considered the requirements of AASB 8 - Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded at this time there are no separately identifiable segments.

**NOTE 7 – CONTINGENT LIABILITIES & COMMITMENTS**

Since 30 June 2014, the Company paid the outstanding commitment for the purchase of Waddikee EL4662 in July 2014 (ASX release 23 July 2014). There has been no other material change to any contingent liabilities as reported in the 2014 Annual Report.

\$390,000 in respect of land acquisition at Campoona has not been paid as at the date of this report. The details and conditions of the purchase are the subject of a Heads of Agreement.

The consolidated entities have minimum expenditure commitments on exploration licenses as per the terms of the exploration licences. If the minimum expenditure on each licence is not met, part of the licence area may be relinquished. There are on-going commitments in relation to the Campoona Graphite project but contracts entered into may be cancelled if circumstances change without the Company incurring financial penalties.

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

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**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 8 to 14 are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Accounting Standard AASB 134 Interim Financial Reporting, and
  - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Greg English**  
**Chairman**

**Adelaide**

Dated this 18<sup>th</sup> day of February 2015.

# ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES

ABN: 64 123 993 233

## INDEPENDENT AUDITOR'S REVIEW REPORT



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### **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ARCHER EXPLORATION LIMITED**

We have reviewed the accompanying half-year financial report of Archer Exploration Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### **Directors' responsibility for the half-year financial report**

The directors of Archer Exploration Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Archer Exploration Limited consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Archer Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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INDEPENDENT AUDITOR'S REVIEW REPORT-CONTINUED



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Archer Exploration Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in blue ink, appearing to read "J L Humphrey".

J L Humphrey  
Partner – Audit & Assurance

Adelaide, 18 February 2015

**ARCHER EXPLORATION LIMITED & CONTROLLED ENTITIES**

**ABN: 64 123 993 233**

**CORPORATE DIRECTORY**

**DIRECTORS**

Greg English – Non-Executive Chairman  
Tom Phillips AM – Non-Executive Director  
Alice McCleary – Non-Executive Director  
Gerard Anderson – Managing Director

**COMPANY SECRETARY**

Damien Connor

**REGISTERED OFFICE**

Level 1  
28 Greenhill Road  
WAYVILLE SA 5034  
Telephone: 08 8272 3288  
Fax: 08 8272 3888  
Email: [info@archerexploration.com.au](mailto:info@archerexploration.com.au)

**SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 5  
115 Grenfell Street  
ADELAIDE SA 5000

**AUDITORS**

Grant Thornton Audit Pty Ltd  
Level 1  
67 Greenhill Road  
WAYVILLE SA 5034

**SOLICITOR**

Piper Alderman  
Level 16, 70 Franklin Street  
ADELAIDE SA 5000

**BANKERS**

National Australia Bank  
Level 1, 22 King William Street  
ADELAIDE SA 5000

**AUSTRALIAN SECURITIES EXCHANGE**

The Company is listed on the Australian Securities Exchange  
**ASX CODE: AXE**