

ASX Announcement

11 May 2016

SHARE PURCHASE PLAN TO RAISE UP TO \$0.5 MILLION

The board of Archer Exploration Limited (“**Company**” or “**Archer**”) is pleased to announce:

- A Share Purchase Plan of up to \$0.5 million to be offered to all eligible shareholders at a price of 8.0 cents per new share (“**SPP**”).
- Eligible shareholders will also be entitled to receive one free attaching unlisted option for every one new Share subscribed for under the SPP. Each unlisted option will have an exercise price of 12 cents and an expiry date of 30 June 2017.

The SPP is seeking to raise up to \$0.5 million and is priced at \$0.08 per new Share which represents a discount of:

- 20% to Archer’s last closing price on 03 May 2016, which was the last trading day prior to the date of the announcement of the SPP; and
- a 13.88% discount to Archer’s 5 day volume weighted average price for the last 5 days on which Archer Shares were traded prior to the date of the announcement of the SPP.

PURPOSE OF THE CAPITAL RAISING

The funds raised from the SPP will be used as follows:

- (a) Conduct bulk magnesite calcining trials as part of the development schedule for the Company’s Leigh Creek Magnesite project.
- (b) Further efforts to secure key resources, infrastructure and service agreements to progress the development of the Company’s Leigh Creek Magnesite Project toward production.
- (c) Conduct plant trials using Sugarloaf carbon.
- (d) Graphite/Graphene – marketing of graphite and graphene.
- (e) Provide the Company with working capital to enable it to support its current operations.

DETAILS OF THE SHARE PURCHASE PLAN

The SPP is only available to Australian and New Zealand shareholders who were registered as Archer shareholders at 7:00pm (CST) on Tuesday, 10 May 2016 (**Eligible Shareholders**).

The SPP entitles Eligible Shareholders to purchase up to \$15,000 of new ordinary shares in the Company at an issue price of \$0.08 (8.0 cents) each and free of all brokerage and commissions.

Eligible Shareholders will receive one free attaching unlisted option for every one Share subscribed for under the SPP. Each unlisted option will have an exercise price of 12 cents and an expiry date of 30 June 2017.

Participation in the SPP is entirely voluntary.



The SPP is capped at \$0.5 million and is not underwritten. Accordingly, if the Company receives valid applications in excess of \$0.5 million under the SPP, then the Company will use its discretion to scale back applications and return excess funds to applicants without interest.

The SPP is currently scheduled to close on Tuesday, 07 June 2016 however Archer reserves the right to close the SPP at any time dependent on demand for shares.

Full details of the SPP Offer will be contained in a booklet which is anticipated to be dispatched to Eligible Shareholders on Wednesday, 18 May 2016.

Key Dates

The proposed timetable for the SPP is set out below however, the Directors reserve the right to vary the dates and times without notice.

Indicative Timetable

Record Date (7:00pm CST)	Tuesday, 10 May 2016
Announcement date of the SPP	Wednesday, 11 May 2016
Opening Date of SPP / Despatch of SPP Offer document	Wednesday, 18 May 2016
Closing Date of SPP (5:00pm CST)	Tuesday, 07 June 2016
Issue of New Shares under the SPP	Tuesday, 14 June 2016
Anticipated date of ASX quotation of SPP Shares.	Thursday, 16 June 2016

For further information please contact:

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Archer Exploration Limited is an Australian Stock Exchange listed company with 100% ownership of 16 tenements all in South Australia covering more than 5,000 km².

Archer Projects

