

Notice of General Meeting 2016

Archer Exploration Limited

ABN 64 123 993 233

Notice is hereby given that the General Meeting of the shareholders of Archer Exploration Limited will be held at:

Date: Friday 05 August 2016

Time: 10.00 am (Adelaide time)

Venue: Level 1, 67 Greenhill Road, Wayville South Australia 5034

for the purpose of transacting the business referred to in this Notice of General Meeting.

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

Ordinary Business:

To receive, and if thought fit, to pass, with or without modification, the following Ordinary Resolutions:

RESOLUTION 1 – Approval to issue SPP Options

‘That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,429,453 SPP Options, as referred to in the accompanying Explanatory Memorandum.’

RESOLUTION 2 – Approval to issue Options to Director Paul Rix

*‘That for the purposes of the Corporations Act 2001 and ASX Limited (ASX) Listing Rule 10.11 and all other purposes, approval is given for the issue of 5,000,000 Options to Paul Rix, a Director of the Company, or his nominee(s), being options to acquire ordinary fully paid shares in the Company at an exercise price of \$0.15, exercisable at any time after the grant, and expiring on 31 January 2019 (**Rix Options**), with any such grant to take place within 1 month of the date of this resolution, and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

Note: If shareholder approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1 (ASX Listing Rule 7.2, Exception 14)

Voting Exclusion

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 2 by Paul Rix, or his associates. However, the Company will 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 section 250BD of the Corporations Act, no member of the key management personnel of the Company or a closely related party of such a member may, acting as a proxy, vote on this ordinary resolution.

However, in accordance with the Act, a person described above may vote on this ordinary resolution if:

- It is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or*
- It is cast by the Chairman as proxy for a person who is permitted to vote, and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.*

By order of the Board



Damien Connor
Company Secretary
27 June 2016



Notes on Voting and Proxy

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 03 August 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Appointment of Proxy

A Shareholder who is entitled to attend and cast a vote at the 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 03 August 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.
- **Custodian Voting** – for Intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions.

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

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

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 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.

Custodian Voting

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



General Meeting – Explanatory Memorandum

This Explanatory Memorandum 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:

Date: Friday 05 August 2016

Time: 10.00 am (Adelaide time)

Venue: 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 General Meeting before making any decision in relation to the resolutions, and is a brief explanation of Resolutions 1 and 2 in the Notice of General Meeting and why the Company is seeking Shareholder approval.

Ordinary Business

RESOLUTION 1 - Approval to issue SPP Options

Background to Resolution 1

On 18 May 2016, the Company offered Shareholders the opportunity to participate in the Company's Share Purchase Plan (**SPP**) to purchase a maximum of \$15,000 of shares at the discounted price of \$0.08 per share. On 14 June 2016, the Company issued 25,429,453 new shares under the SPP. The SPP offer was made in accordance with ASIC Class Order [CO 09/425].

Shareholders who were allotted shares under the SPP will also be entitled to apply for one free attaching unlisted option for every share allotted to them under the SPP. The free attaching options have an exercise price of \$0.12 and an expiry date of 30 June 2017 (**SPP Options**). Given that ASIC Class Order [CO 09/425] does not provide relief for an offer of options, on 27 June 2016, the Company sent a prospectus for the offer of the SPP Options to shareholders who were issued shares under the SPP.

The Company does not have sufficient capacity available under Listing Rule 7.1 to issue 25,429,453 SPP Options, therefore is seeking shareholder approval at this meeting to issue up to 25,429,453 SPP Options.

ASX Listing Rules Requirements

ASX Listing Rule 7.1 requires the Company to obtain shareholder approval if it issues, or agrees to issue, securities in the capital of the Company in any 12 month period that aggregate more than 15% in number of the existing ordinary shares in the capital of the Company, unless one of the exceptions in ASX Listing Rule 7.2 applies.

For the purpose of ASX Listing Rule 7.1, the issue of a convertible security is treated as an issue of the capital of the company on a fully converted basis.

If Resolution 1 is approved, the SPP Options issued, may be treated by the Company as having been made with approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities without the SPP Options, the Subject of Resolution 1 (and any Shares issued upon the exercise of such SPP Options) counting toward the 15% threshold for the purposes of ASX Listing Rule 7.1.

ASX 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 25,429,453 SPP Options.
- b) If shareholder approval is obtained, the issue of SPP Options will occur 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) SPP Options will be issued for nil consideration.
- d) Up to 25,429,453 SPP Options will be issued to shareholders who were allotted Shares under the Company's SPP offer dated 18 May 2016, who subsequently apply for their entitlement to one free attaching SPP Option for every share purchased under the SPP.
- e) See Annexure A for the Terms of the SPP Options. The Terms of the SPP Options were also detailed in the Prospectus for the offer of SPP Options, which was sent to Shareholders who were issued shares under the SPP, on 14 June 2016.
- f) No funds will be raised from the issue of SPP Options. It is anticipated that any funds raised from the exercise of SPP Options (if this occurs) will be used for working capital. There is no guarantee that the SPP Options will be exercised at all.
- g) If shareholder approval is obtained, the SPP Options will be allotted on several dates during the 3 month period specified in paragraph (b) above



General Meeting – Explanatory Memorandum

ASX waivers

ASX Listing Rule 7.3.8

ASX Listing Rules 7.3.8 and 14.11 provide that the notice of meeting must include a statement to the effect that any person who participated in the SPP must not vote on Resolution 1. As the Company is making offers under the Prospectus for SPP Options to all Shareholders who participated in the SPP, then no person who participated in the SPP would be able to vote on Resolution 1 to approve the issue of SPP Options. In these circumstances, ASX has granted the Company a waiver from ASX Listing Rule 7.3.8 so that any person who participated in the SPP may vote on Resolution 1.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a Company must not issue or agree to issue securities to a related party, including a Director, without first obtaining shareholder approval. As directors were entitled to participate in the SPP, the company sought, and has been granted, a waiver to permit directors and their associates to participate in the SPP on the same terms as other shareholders without requiring shareholder approval under ASX Listing 10.11. Accordingly, separate approval is not required here under ASX Listing Rule 10.11 for the issue of SPP Options to directors who participated in the SPP.

Board Recommendation

The Board Recommends that shareholders vote **IN FAVOUR** of Resolution 1.

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

RESOLUTION 2 - Approval to issue Options to Director Paul Rix

Background to Resolution 2

Paul Rix is an experienced mining professional with more than 30 years' experience in the marketing of industrial minerals and products. From 2003 – 2013, Mr Rix 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. His magnesia marketing responsibilities stretched across six continents and more than 30 countries.

On 14 August 2015 Archer entered into a Services Agreement (**Services Agreement**) with RixMin International Pty Ltd (**RixMin**) which is a company controlled by Paul Rix. Below is a summary of the key terms of the Services Agreement:

- The Agreement had a term starting on 14 August 2015 and ending 16 August 2016.
- RixMin is to introduce Archer to purchasers of magnesite and magnesia products as well as potential investors in the Leigh Creek Magnesite Project (**Customers**).
- RixMin was to prepare and submit to Archer a magnesite marketing report. The report was submitted by RixMin and Archer paid to RixMin the amount of \$5,000 for this report.
- Archer must pay to RixMin a 1.5% commission on sales of magnesite and magnesia products to Customers and any investment made by a Customer in the Leigh Creek Magnesite Project (**Commission**).
- Either party could terminate the Services Agreement for convenience, upon the giving of at least 6 months prior written notice. If Archer terminated the Agreement for convenience, and not because of a default by RixMin, then the Commission would be payable if Archer entered into an agreement with a Customer within 12 months after the date of termination of the Services Agreement.

Paul Rix became a Director on 8 February 2016 and the Board formed the view that Paul's goals would be better aligned to those of Shareholders if the Services Agreement was terminated and replaced by the issue of the Rix Options to Mr Rix. The Company and Rixmin have agreed to terminate the Services Agreement in return for the issue of 5,000,000 Rix Options to Mr Rix or his nominee. Mr Rix's magnesia industry contacts are vital to the success of the Leigh Creek Magnesite Project. Therefore, if this Resolution 2 is not approved and the 5,000,000 Rix Options are not issued to Paul Rix or his nominee, then Archer intends to reinstate the Services Agreement and to extend the term of the Services Agreement to 31 December 2017.

Resolution 2 is seeking shareholder approval to issue 5,000,000 Rix Options to Paul Rix, a Director, for the purposes of ASX Listing Rule 10.11.

Key terms of Rix Options

There is no issue price and consequently there are no funds raised upon issue of the Rix Options as they are issued for nil consideration. Each Rix Option issued to Mr Rix will lapse on 31 January 2019, have an exercise price of \$0.15 per Share (being a premium of 100% above the Archer Share price at the date of this Notice) and will vest upon meeting the Performance Hurdles.



General Meeting – Explanatory Memorandum

The Rix Options vest and become exercisable only if both of the following the Performance Hurdles are satisfied:

- Archer receives its first payment for magnesite product delivered by Archer to a customer under a legally binding magnesite product offtake sales agreement (**First Sales**); and
- At the time of the First Sales or at any time 12 months prior to the date of the First Sales, Mr Rix is or was a director or employee of Archer or of any Archer related body corporate (as that term is defined in the Corporations Act).

Paul Rix interests and remuneration

Paul Rix joined the Board on 8 February 2016 and receives a fixed fee of \$50,000 per annum (inclusive of superannuation) for his services as Director. If Shareholders do not approve the issue of the Rix Options, then the Services Agreement will be reinstated and Mr Rix will be entitled to receive the remuneration under the Services Agreement described above in addition to his annual Director fee of \$50,000.

Mr Rix does not have a relevant interest in any Shares, Options or Archer securities.

If the Rix Options granted to Paul Rix vest and are exercised, a total of 5,000,000 new Shares would be issued. This will increase the number of Shares on issue from 110,194,306 to 115,194,306 (assuming that no other options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 4.5%.

The market price for Shares during the term of the Rix Options would normally determine whether or not the Rix Options are exercised. If, at any time any of the Rix Options vest and are subsequently exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Rix Options, then there may be a perceived cost to Archer.

The trading history of Shares on ASX in the 12 months before the date of this Notice are:

	Price	Date
Highest	\$0.11	19 May 2016
Lowest	\$0.07	11 March 2016
Last	\$0.075	24 June 2016

Section 208 of the Corporations Act

Mr Rix is a Director so is a related party of Archer. In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Rix Options, pursuant to Resolution 2, as the exception in section 211 of the Corporations Act applies. The Rix Options which are proposed to be issued are being issued in lieu of fees payable to Mr Rix under the Services Agreement and are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

ASX Listing Rules Requirements

ASX Listing Rule 10.11 provides that a Company must not issue or agree to issue securities to a related party, including a Director, without first obtaining shareholder approval.

ASX Listing Rule 10.13 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 10.11:

- a) The Rix Options will be issued to Paul Rix or his nominee(s).
- b) The number of Rix Options to be issued is 5,000,000.
- c) The issue of Rix Options subject of Resolution 2 will occur no later than 1 month 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 Performance Hurdles.
- d) The Rix Options will be issued for nil consideration.
- e) See Annexure B for the terms of the Rix Options subject of Resolution 2.
- f) No funds will be raised from the issue of the Rix Options subject of Resolution 2. It is anticipated that any funds raised from the exercise of the Rix Options (if this occurs) will be used for working capital. There is no guarantee that the Rix Options will be exercised at all.
- g) A voting Exclusion statement is included in this Notice



General Meeting – Explanatory Memorandum

Board Recommendation

Mr Rix declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued 5,000,000 Rix Options should Resolution 2 be passed.

With the exception of Mr Rix, no other Director has a personal interest in the outcome of Resolution 2. The Directors (other than Mr Rix) recommend that Shareholders vote in favour of Resolution 2 for the following reasons:

- the issue of Rix Options to Mr Rix will better align the interests of Mr Rix with those of Shareholders;
- the issue of the Rix Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow Archer to spend a greater proportion of its cash reserves on its operations than it would if cash payments were given to Mr Rix under the Services Agreement; and
- it is not considered that there are any significant opportunity costs to Archer or benefits foregone by Archer in issuing the Rix Options on the terms proposed.

In forming their recommendations, each Director considered the experience of Mr Rix, the skills Mr Rix brings to Archer and the current market price of Shares when determining the number of Rix Options to be issued.

The Board (apart from Mr Rix, who makes no recommendation) recommends that shareholders vote **IN FAVOUR** of Resolution 2.

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

Definitions

In the Explanatory Memorandum and Notice of 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 of Archer.
Closely Related Party	has the same meaning as in the <i>Corporations Act</i> .
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Director	means a director of the Company.
Equity Securities	has the same meaning as in the Listing Rules.
Listing Rules	means the listing rules of ASX.
Meeting	means the General Meeting of Shareholders to be held at: Level 1, 67 Greenhill Road, Wayville, South Australia 5000, on Friday, 05 August 2016 at 10.00 am (Adelaide time).
Member or Shareholder	means each person registered as the holder of a Share.
Notice	means this Notice of General Meeting.
Option Holder	means the holder of an Option.
Ordinary Resolution	means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.
Prospectus	means the Prospectus for the offer of Options dated 27 June 2016.
Rix Option	means an unlisted option with an exercise price of \$0.15 and expiry date of 31 January 2019, as detailed in Resolution 2 and Appendix B to this Notice.
Resolution	means a resolution referred to in this Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
SPP	means the Company's share purchase plan dated 18 May 2016.
SPP Option	means an unlisted option with an exercise price of \$0.12 and expiry date of 30 June 2017, as detailed in the Prospectus and Appendix A to this Notice.



General Meeting – Explanatory Memorandum

Annexure A

SPP Options - Terms and Conditions

The Options to be issued subject to shareholder approval of Resolution 1, will be issued on the following terms and conditions:

- (a) Each Option gives the Option Holder the right to subscribe for one Share.
- (b) Each Option will expire at 5.00pm (CST) on 30 June 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k) and (n), the amount payable upon exercise of each Option will be \$0.12 (**Exercise Price**).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque for the Exercise Price for the number of Options being exercised (**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) Subject to the expiry of any applicable escrow period the Options shall be freely transferable.
- (i) All Shares issued upon the exercise of Options will upon issue rank equally in all respects with other Shares.
- (j) The Options will be unlisted and the Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) In the event of a pro-rata issue of securities to holders of Shares, the Exercise Price in respect of any unexercised Options may be adjusted in accordance with the adjustment formula for pro rata issues set out in the ASX Listing Rules at the time when the Options were granted.



General Meeting – Explanatory Memorandum

Annexure B

Rix Options - Terms and Conditions

The Rix Options to be issued subject to shareholder approval of Resolution 2 will be issued on the following terms and conditions:

- (a) Each Option gives the Option Holder the right to subscribe for one Share.
- (b) Each Option will expire at 5.00pm (CST) on 31 January 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k) and (n), the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) Subject to the expiry of any applicable escrow period the Options shall be freely transferable upon vesting.
- (i) All Shares issued upon the exercise of Options will upon issue rank equally in all respects with other Shares.
- (j) The Options will be unlisted and the Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) In the event of a pro-rata issue of securities to holders of Shares, the Exercise Price in respect of any unexercised Options may be adjusted in accordance with the adjustment formula for pro rata issues set out in the ASX Listing Rules at the time when the Options were granted.

Lodge your vote:



Online:

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

For all enquiries call:

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

Proxy Form

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Vote online 24 hours a day, 7 days a week

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number:

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:00 am (Adelaide time) Wednesday 3 August 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 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 General Meeting of Archer Exploration Limited to be held at Level 1, 67 Greenhill Road, Wayville South Australia 5034 on Friday 5 August 2016 at 10:00 am (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 **Item 2** (except where I/we have indicated a different voting intention below) even though **Item 2** is 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 **Item 2** 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
1 Approval to issue SPP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to issue Options to Director Paul Rix	<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 ____/____/____

AXE

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