

ASX Announcement (ASX:AXE)

31 July 2018

# Fourth Quarter Activities Report

For the three months ending 30 June 2018

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## All major projects progressing

- Archer and the University of Sydney Commercial Development and Industry Partnerships (CDIP) agree to exclusively negotiate terms for an exclusive licence that would allow Archer to develop and commercialise graphene-based quantum computing technology.
  - Initial purification work by Urbix Resources has shown that Archer's Campoona graphite is suitable for purification to HF-equivalent purification grades of +98% using non-HF purification processes.
  - Archer to list non-graphite exploration projects on ASX by way of an initial public offering (IPO).
  - Sale of Leigh Creek Magnesite Project.
  - Discovery of large gold anomaly at Blue Hills with gold grades up to 0.42 g/t.
  - Test work by independent laboratory confirms that manganese from Archer's Jamieson Tank project can make electrolytic manganese dioxide (EMD).
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Commenting on the third quarter activities Greg English, Executive Chairman of Archer Exploration, said, "The sale of the non-Graphite projects during the Quarter is a clear indication of the Company's strategy to develop the Campoona Graphite Operations and the Advanced Materials business. The funds from the sale of the Magnesite Project can be used more immediately to drive greater shareholder value through the development of the graphite and graphene business."

"We want to focus on our areas of strength, and we have excellent capability with Dr Mohammad Choucair who is driving our graphite, graphene and advanced materials strategy, as highlighted by our recently announced collaboration agreements for the development of carbon based bio-sensors and quantum computing technologies" said Mr English.

"Archer has been actively growing the Advanced Material business and we are looking forward to our involvement in the development and commercialisation of the quantum computing technology. This technology has the potential, over a short time frame, to allow Archer to develop and commercialise a world first, practical quantum computing chip (device), with significantly reduced costs compared to current approaches." Mr English concluded.

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**Archer Exploration Limited**

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## Quarterly Activities to 30 June 2018

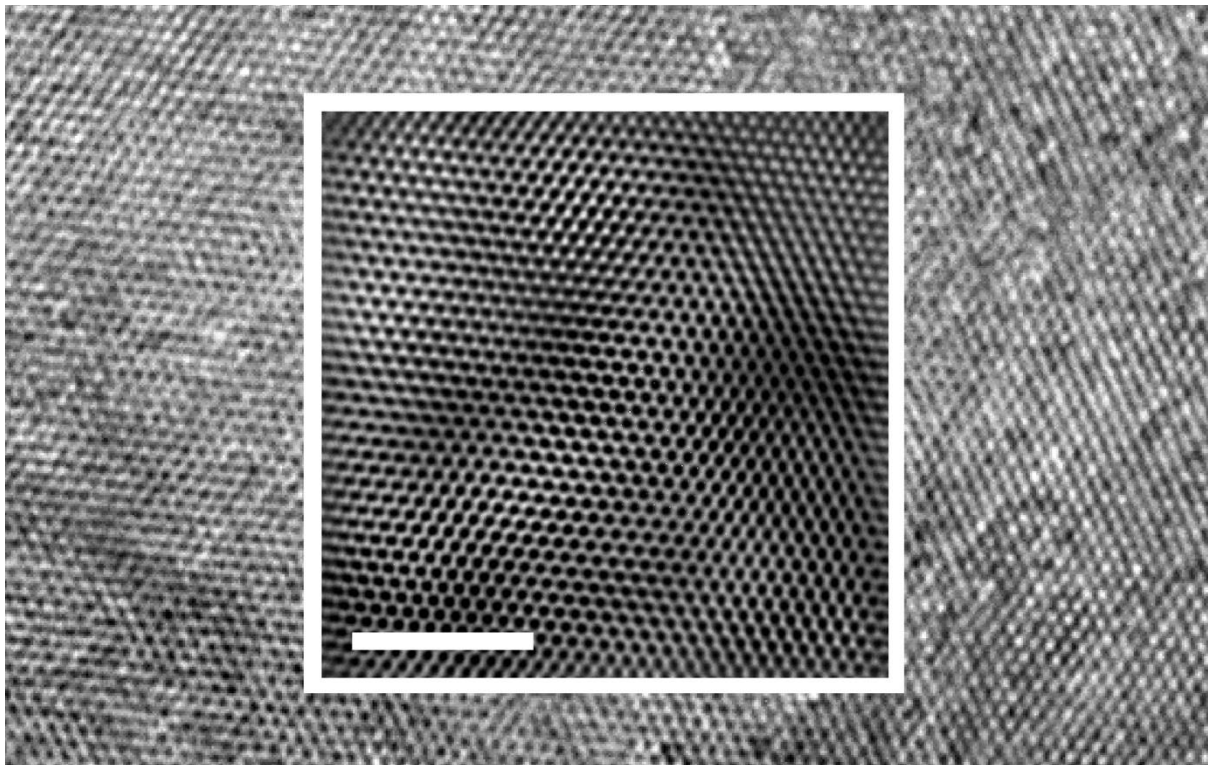
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Archer Exploration Limited (ASX: AXE) (**Archer** or **Company**) is pleased to report on its activities for the three-month period ending 30 June 2018 (**Quarter**).

### **Advanced materials**

Archer's vision is to build a long term and viable mineral and materials development business focussing on the key areas related to reliable energy, human health and quantum technologies. These three themes were targeted as they have associated industries with exponential growth opportunities. Archer's in-house expertise provides an opportunity for it to quickly develop and integrate materials-centric solutions with the potential for positive global impact.

#### **High quality graphite**



*Figure 1. An enhanced high-resolution image of Archer's Campoona graphite taken using a JEOL3000F Transmission Electron Microscope showing a highly defined, intricate and periodic honeycomb structure constituting the graphite material. Scale bar represents 2 nm.*

Nano-scale and atomic-scale analysis of representative, processed samples of Archer's graphite materials extracted from the Campoona deposit, was undertaken using a variety of techniques, including use of a JEOL 3000F Transmission Electron Microscope (Figure 1). The aim was to investigate the structural integrity and quality of the graphite samples that had undergone mechanical and chemical treatment to yield 99%+ total graphitic content, and to

enable this information to be provided to potential off-take partners and high volume downstream end users

The enhanced high-resolution transmission electron microscope (TEM) images at an atomic level show a structurally near-perfect hexagonal graphite lattice, demonstrating the structural integrity and high quality of the graphite sourced from Campoona. The material analysed shows minimal defects are present, which is critical for battery applications and high-quality graphene production using graphitic feedstocks.

The results confirmed the structure of the Campoona graphite lattice closely matches the perfect theoretical crystalline structure for graphite. The graphitic material samples consistently showed a high degree of crystallinity clearly visible in the 'honeycomb' structure/lattice shown in the electron microscope images.

### **Quantum technology**

In late May, Archer announced (ASX announcement 23/05/18) that it had entered into exclusive negotiations with the University of Sydney Commercial Development and Industry Partnerships (CDIP) for exclusive rights to develop and commercialise intellectual property (IP) related to graphene-based quantum computing technology.

The IP relates to the development of a quantum electronic device (QED) for storing and processing quantum bits (qubits) – the fundamental components of a quantum computer. In particular, the QED comprises advanced carbon material components critical for its function, including graphene, which are available in the inventory of Archer's wholly owned subsidiary, Carbon Allotropes.

The negotiations will be centred on Archer's exclusive international rights to develop and commercialise IP described in a patent cooperation treaty (PCT) application that was filed by the University of Sydney (University) in the names of the University and École Polytechnique Fédérale de Lausanne (EPFL) as a result of quantum materials and technology research led by Archer CEO, Dr Mohammad Choucair, during his previous employment at the University. The University and EPFL finalised an inter-institutional agreement with which EPFL allows the University to take the commercialisation lead in proceeding to negotiate with Archer.

### **Urbix Resources**

In early April, Archer signed a MOU with US company Urbix Resources LLC for graphite purification test work using Urbix's proprietary technology. Urbix has developed a low-temperature, non-oxidative purification technique to yield graphite grades suitable for lithium-ion batteries and energy storage technology. The MOU outlines that consideration would be given to the joint development of additional purification process optimisation, technology licensing, and toll processing services for the Campoona Graphite Project.

Urbix were successful in purifying Campoona graphite from a total carbon content (TCC) grade of 93-94% to a minimum TCC of +98%. These initial and final values of grade are in-line with values obtained from HF leaching methods conducted by Archer on Campoona graphite reported in previous metallurgical testing results. These positive preliminary results provide

encouragement for the continuing joint development of further advanced stages of purification processing of Campoona graphite by Urbix to battery-specific grades and morphologies.

With further successful testing, the Urbix technology provides Archer with an opportunity to toll process Campoona graphite in North America reducing the capital cost for the Sugarloaf Graphite Processing Facility and reducing Archer's environmental footprint on the Eyre Peninsula.

### **Flexegraph Agreement**

A Collaboration Agreement (Agreement) was signed with Flex-G Pty. Ltd. (FlexeGRAPH). The Agreement focuses on advanced materials development, processing and evaluation and characterisation, with particular emphasis on the development of thermal management applications using materials from Archer's Campoona graphite and graphene operations.

Archer and FlexeGRAPH will prototype materials using Archer's graphite into components for integration in energy storage and computing systems, ranging from conventional thermodynamic systems such as internal combustion engines to advanced devices with multiple functionalities such as electric vehicle batteries and high-performance computing. Both raw materials and processed materials will be tested to verify the quality and performance parameters needed to bring these products to market.

As part of the Agreement, Archer and FlexeGRAPH have agreed that raw and processed materials, and products developed by the Flexegraph-Archer collaboration and/or developed independently by Flexegraph, will be listed on the Carbon Allotropes on-line marketplace ([www.market.carbonallotropes.com](http://www.market.carbonallotropes.com)) in order to provide an e-commerce pathway to market.

### **Collaboration Agreement with The University of New South Wales**

During the Quarter, Archer signed a Collaboration Agreement and a complementary Research Service Agreement with The University of New South Wales (UNSW) which seek to develop and implement Archer's graphite and graphene materials for use in energy storage system applications targeting lithium-ion batteries.

The primary focus of the collaboration is on the rational design of high-performance electrodes for lithium-ion batteries using graphite and graphene sourced from Archer's Campoona deposit. This work is expected to result in the development of electrodes for lithium-ion batteries and the implementation of these electrodes in a number of advanced application full cell and half-cell configurations. The graphite and graphene-based materials developed would be tailored electronically, chemically and structurally for mobile and stationary device applications with specific performance requirements.

### **Eyre Peninsula Graphite Project**

Work on the preparation of the Campoona Mine Program for Environment Protection and Rehabilitation (PEPR) continued during the Quarter. Whilst the Campoona mining lease and Sugarloaf and Pindari Bore miscellaneous purposes licences were granted late last year, no

mining activities can commence until the PEPR has been lodged and approved by the South Australian Government.

Archer has re-structured the terms of the Campoona Mine land sale agreement such that instead of purchasing the land outright, Archer has been granted an option to acquire the land sometime in the next 5 years. This allows Archer to better coordinate the purchase of the land with the approval of the PEPR and the commencement of mining operations. The Company would like to thank the land owners for their support and agreement to restructure the terms of the land sale and purchase.

## **Strategic review of non-graphite assets**

In late April, Archer announced (ASX announcement 27/04/18) that it was undertaking a strategic review of its non-graphite assets which include the Blue Hills Copper Project, Jamieson Tank Manganese Project, Ketchowla Manganese Cobalt project, North Broken Hill Cobalt Project and the Leigh Creek Magnesia Project (the **non-Graphite Projects**).

The Company engaged Sequoia Financial Group to undertake the strategic review. As a result of the review, Archer has made the decision to:

- Sell the Leigh Creek Magnesia Project (ASX announcement 02/07/18).
- List the non-Graphite Projects on ASX by way of an initial public offering (IPO) (ASX announcement 19/07/18).

### **Sale of Leigh Creek Magnesia Project**

During the Quarter, Archer negotiated the sale of the Leigh Creek Magnesia Project (**Magnesia Project**) with the definitive sale and purchase agreement executed on 2 July 2018 (ASX announcement 02/07/18). Sale of the Magnesia Project is facilitated by Archer agreeing to sell all of the shares in Leigh Creek Magnesite Pty Ltd (**LCM**) and CH Magnesite Pty Ltd (**CHM**). LCM and CHM are wholly owned subsidiaries of Archer which hold the mineral exploration licences that form the Magnesia Project.

The Agreement is between Archer and a private Australian company or a nominee of that company and deals with the sale by Archer of all the shares in LCM and CHM to the Buyer. Completion of the sale and purchase of the shares (**Completion**) is conditional upon:

- buyer conducting due diligence by 31 August 2018 and the results of those enquiries being to the satisfaction of the buyer;
- Archer shareholder approval to the sale of the shares in LCM and CHM to the buyer or its nominee. Archer intends to hold a shareholder meeting in the first week of September to seek the shareholder approval required to satisfy this condition precedent; and
- the consent (if required) of counterparties under agreements affecting the Tenements.

Completion will take place on 30 June 2019 or such other date agreed by Archer and the buyer or its nominee.

Completion of the sale of the shares under the Agreement will result in the buyer or its nominee owning all of the shares of LCM and CHM and the buyer or its nominee owning the tenements they hold.

The date for Completion may be extended by buyer or its nominee for three months at a time (up to 31 December 2019) by paying to Archer \$250,000 per extension (up to a total of \$500,000) (Extension Payments).

The purchase price payable to Archer is \$2.0 million (Base Payment) plus a Bonus. The Buyer or its nominee (as the context requires) must pay a \$50,000 non-refundable deposit (Deposit) by 16 July 2018 and a further non-refundable \$200,000 (Additional Deposit) if the Buyer elects to proceed after the end of the due diligence period (i.e. 31 August 2018). Archer confirms that the Deposit amount was received in full by the Company before the due date of 16 July 2018.

The Deposit, Additional Deposit and Extension Payments (if any) all form part of the Base Payment, the balance of which may be satisfied in cash or, if a listing has occurred, shares in the relevant listed entity (or a combination of both) at the election of the buyer or its nominee.

The Bonus is payable if the buyer or a related entity of the buyer or nominee lists on a regulated stock exchange either before or within 6 months of Completion. The Bonus amount is an additional payment calculated as 5.0% of an amount \$2 million below the IPO market capitalisation of the listed entity.

The following is a hypothetical example, if the Buyer lists on a regulated stock exchange within 6 months of Completion (ASX, TSX, AIM etc.) and the market capitalisation of the Buyer at listing is A\$52 million, then the total purchase price payable to Archer is  $\$2.0m + 5.0\% \times (\$52m - \$2m) = \$2.0m + \$2.5m = \$4.5m$ .

### **IPO of non-graphite projects**

The strategic review considered a range of options for maximising the value of Archer's non-Graphite Projects. In making the assessment, the Archer board examined long-term Archer shareholder value and also considered the capacity to utilise the non-graphite exploration projects to better develop and grow its Advanced Materials business.

Whilst the non-graphite focussed minerals exploration business has achieved success, growth, scale and diversification under the current ownership structure, the strategic review determined that an independent ownership model would provide greater benefits. Accordingly, Archer intends to pursue an initial public offering (IPO) of the non-graphite mineral exploration business on the Australian Securities Exchange (ASX) by the end of calendar year 2018, subject to market conditions and necessary approvals (including Archer shareholder approval).

In preparation for the potential ASX listing, Archer entered into binding share sale agreements with Ballista Resources Ltd for the sale of Archer subsidiary companies SA Exploration Pty Ltd (SAEx) and Archer Energy & Resources Pty Ltd (AER) (ASX announcement 19/07/18).

SAEx holds the tenements that form the Broken Hill Cobalt Project, North Burra Project (including Blue Hills Copper Project and Ketchowla Manganese Cobalt Project) and the WA Nickel Project. AER will be the holder of all of Archer's Eyre Peninsula mineral exploration licences, with rights to explore for all minerals other than graphite on those tenements.

Completion under the Share Sale Agreements is conditional on Ballista listing on ASX and Archer shareholder approval to the sale of SAEx and AER. The Company is planning to convene the shareholder meeting in the first week of September for the purpose of seeking shareholder approval for the sale of SAEx and AER to Ballista.

At completion, Archer will receive 48 million Ballista shares and it is the Archer board's intention to distribute some or all of the 48 million Ballista shares to Archer shareholders by way of an in-specie distribution, subject to the receipt of favourable tax advice and regulatory and shareholder approval.

## **Exploration**

### **Blue Hills Copper**

The Blue Hills Copper Prospect is a large copper anomaly covering an area of 25km<sup>2</sup>, located approximately 40km north of Burra, South Australia. During the Quarter, Archer completed a 373-line km airborne electro-magnetic survey (AEM) at Blue Hills to identify drill targets.

A Rotary Air Blast ('RAB') geochemical drilling program completed at the Blue Hills, comprising 226 holes for 2,661m, was completed during the Quarter. The drilling intersected strong anomalous copper and widespread gold in bedrock on each line of drilling.

Archer had previously completed a large (+4,500 samples) geochemical survey at Blue Hills which led to the discovery of the Hood, Katniss and Hawkeye prospects (Figure 2). However, some of the target area was covered by transported soils meaning that RAB drilling through the soils was needed to test the underlying bedrock. The key objective of the drilling was to confirm the presence of copper in the bedrock at Hood, Hawkeye and Katniss as well identify any anomalism under cover at both Ygritte and Legolas (which could not be sampled using soils).

The drill holes encountered a thin residual regolith cover before penetrating the weathered and leached siltstones that dominate the area. Deeper (+20m) drilling was required at Ygritte and Legolas due the volume of transported material present.

Samples were collected at the bottom of the hole as well as other intervals identified by the geologist as significant (e.g. the intersection of quartz veins of iron oxides). As the nature of exploration was essentially an advanced soil testing approach using RAB, the mineralisation is consistent with the generally low-grade results achieved with this method, in comparison to

mining grade ore, however it was sufficient to confirm extensive soil anomalism and identify additional anomalies under cover (i.e. +1m of transported material).

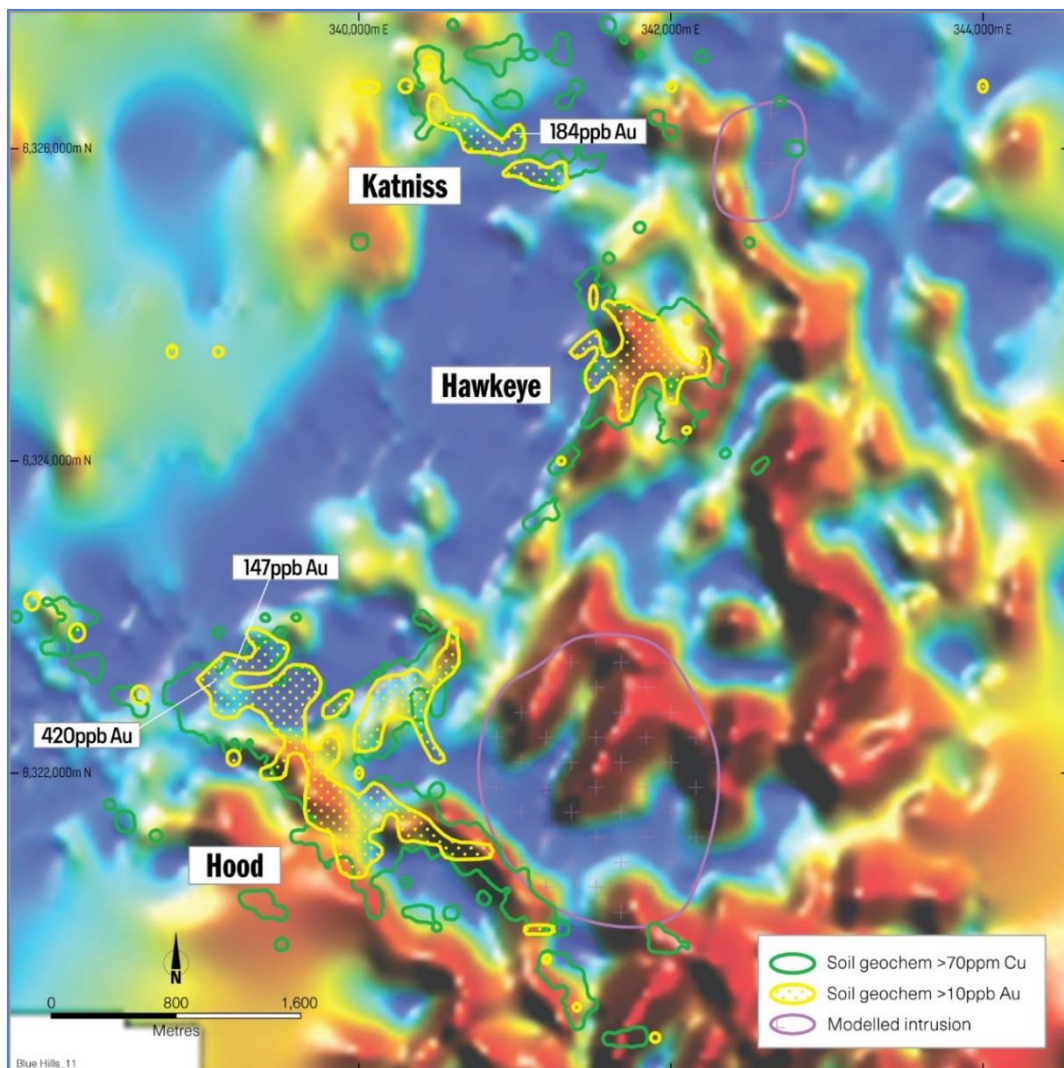


Figure 2. Blue Hills Gold & Copper soil anomalies with modelled Intrusion over EM depth slice.

The levels of copper anomalism found in the bedrock (ASX announcement 28/05/18) reach a maximum of 0.15% (1,500 ppm) copper but are typically in the range of 14 - 881ppm (0.001% - 0.09%) copper.

Anomalous gold in bedrock (ASX announcement 28/05/18) achieved a maximum of 401ppb (0.4 g/t) gold, with grades typically in the range of 1 – 13ppb (0.001 – 0.0013 g/t) gold. The discovery of widespread gold in the system led to Archer resubmitting previous soil surveys from Hood, Katniss and Hawkeye to assay for gold.

The previously collected soil samples were also assayed for gold with results received for most of these samples. Results to date have recorded elevated gold at each of the prospects, with values as high as 0.42g/t (420ppb) at Hood (ASX announcement 26/06/18). This compares to the areas surrounding the prospects which have background gold readings of close to 1ppb



(0.001g/t). As gold values up to 10x background are considered anomalous (i.e. 10ppb), these results support the concentration of gold only within the prospect areas.

The gold in soils appears to be related to copper, i.e. the soil anomalies are coincident and appear to have similar strike lengths to that reported for copper (Figure 2).

If assuming Blue Hills was a copper only target, then the large-scale anomalies at Hood, Hawkeye and Katniss could be interpreted as simple leaching of copper from nearby rocks by fluids. However, the presence of gold with copper mineralisation and the results of the AEM survey supports the intrusion related geological model proposed by Archer (Figure 3).

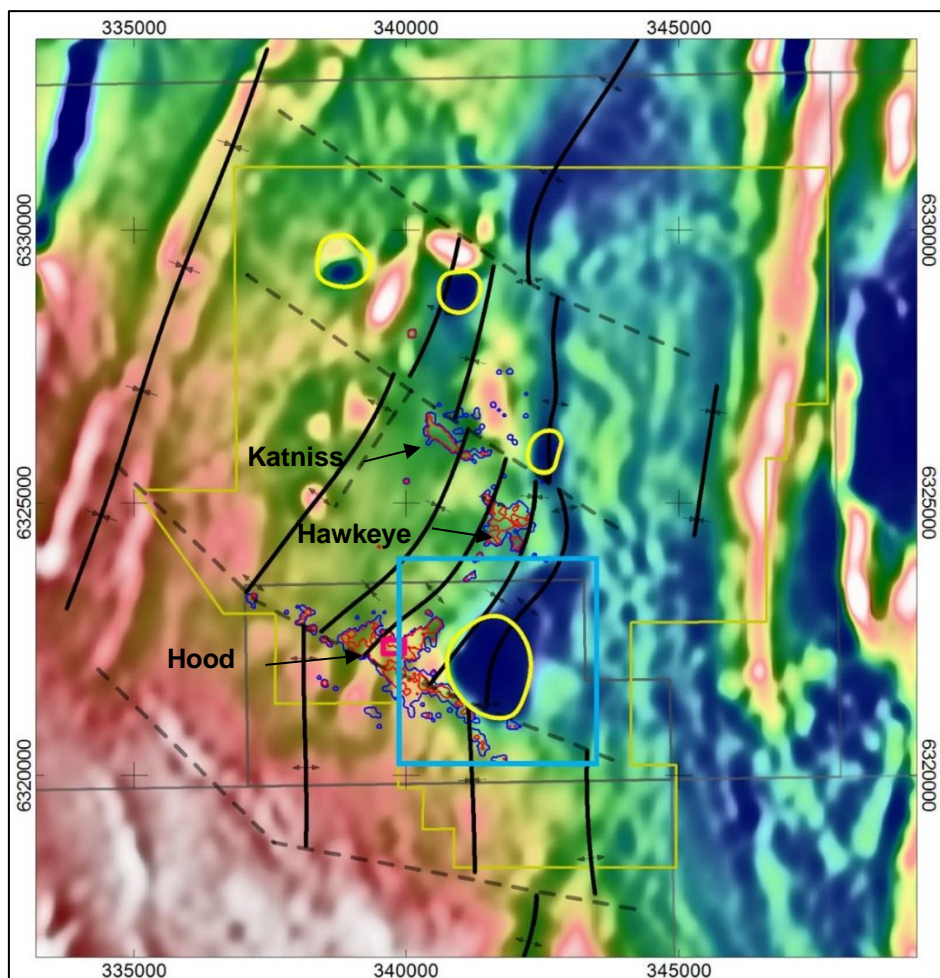


Figure 3. Reprocessed magnetic image showing the location of modelled intrusions with soil anomalies.

### **Jamieson Tank Manganese**

The Jamieson Tank Manganese Project is located within 2km of the site of the proposed Sugarloaf Graphite Processing Facility, near the township of Cleve, South Australia. The Manganese Project extends for approximately 6km in a N-S strike direction and is open along strike and is within close proximity of power, water and road infrastructure.

The Company provided to Kemetco Research Inc a drill sample from Jamieson Tank with a head grade of approx. 12% manganese. Whilst the grade of Jamieson Tank manganese is lower than direct shipping manganese (e.g. Jupiter Mines and South32) the manganese is low in iron and other impurities which may make it suitable for electrolytic manganese dioxide (EMD) production.

The test work completed by Kemetco involved the leaching of the manganese from the drill sample provided by Archer, purification of the leach to remove iron, cobalt, nickel and other potentially deleterious elements and finally the precipitation of the electrolytic manganese dioxide onto graphite cathode and titanium anodes.

The test work showed that the Jamieson Tank manganese was capable of making an EMD product with a manganese content of > 92% which is the standard required for alkaline and lithium ion batteries (ASX announcement 23/04/18).

The positive results from the Kemetco test work led Archer to undertake a review of historical drill results has resulted in the establishment of a maiden exploration target of 15Mt - 25Mt at a grade of 8 - 12% manganese for the Jamieson Tank Manganese Project (ASX announcement 07/05/18). Investors should be aware that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is based on historical drilling, across 208 drill holes and 11,200 drill metres, undertaken by Archer (2008 - 2011) and Monax Mining Ltd (2008 – 2012). These holes cover around 6.6km of the Jamieson Tank strike and were drilled at distances of 20 to 25m apart on 200m spaced drill lines. The holes are a mixture of Rotary Air Blast (RAB) and Air Core (AC), with 22 holes exceeding downhole lengths of 70m, with some of the holes ending in manganese mineralisation.

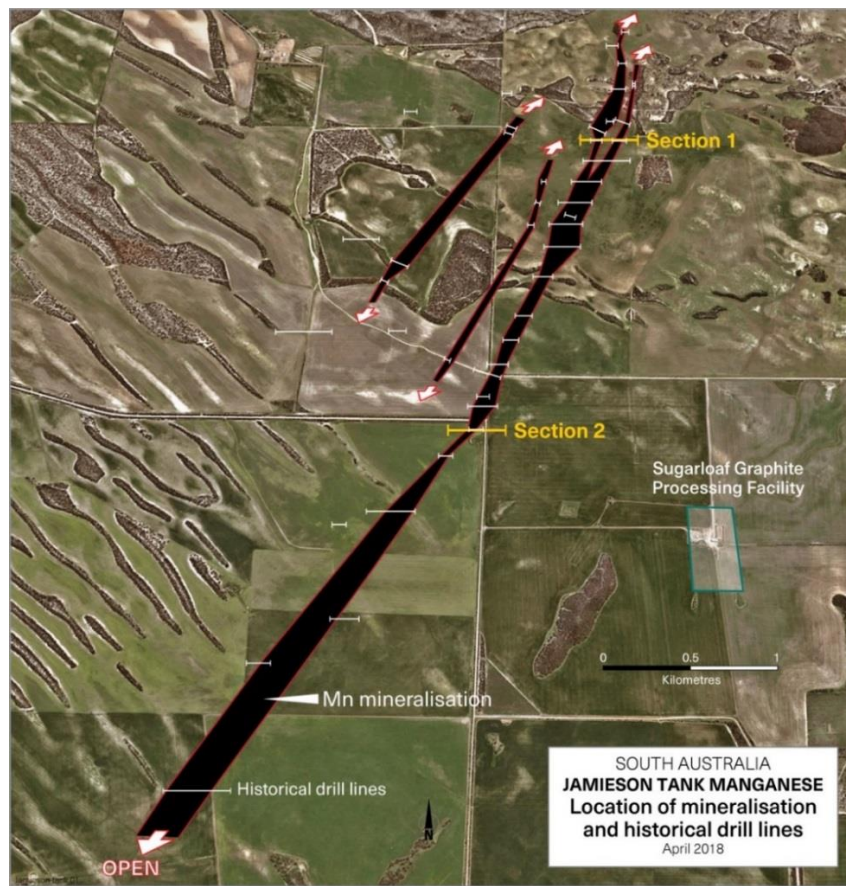


Figure 4: Jamieson Tank exploration target showing location of historical drill lines and the location of the proposed Sugarloaf graphite processing facility. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

While manganese has traditionally been seen as a component in steel alloys, it is the battery applications of Electrolytic Manganese Dioxide (EMD) that are predicted to be the fastest growing segment of manganese production. EMD is a high value manganese product which is a critical component within various applications, especially for lithium ion battery cathode material for electric vehicles.

The global battery market is currently driven by the shift from nickel-based fuel cells to EMD based fuel cells. The high demand for EMD based Li-ion fuel cells is the major factor contributing to the growth of the batteries market. The global EMD market is forecast to grow at a compound annual growth rate of 6.34 % during the period 2018 - 2022, with the USA being the largest consumer of EMD globally at approximately 40%.

### **North Broken Hill Cobalt Project**

The North Broken Hill Project (is located approximately 20km north of Broken Hill, New South Wales and is situated along strike from Cobalt Blue Ltd's (ASX:COB) Thackaringa Cobalt Project. The North Broken Hill tenements collectively cover a large area of approximately 450km<sup>2</sup> and early exploration work has focussed on visiting previously identified cobalt outcrops and the discovery of new regional cobalt, copper and gold targets.

Archer undertake some regional soil and rock chip geochemical sampling work during the Quarter and these results will be reported as they become available.

### **Other Projects**

No work was undertaken during the Quarter at Beltana, Yanyarrie or on Archer's other project areas not mentioned in this report.

## **Corporate**

### **Cash balance**

The Company's cash balance at the end of the Quarter was \$2,749,000.

### **Junior Minerals Exploration Incentive**

On 24 April 2018, the Company announced that its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme had been accepted for the 2017/18 financial year.

Only new shares issued by Archer during the 2017/18 financial year were eligible to receive JMEI credits. As a result, holders of SPP Options who exercised their SPP Options and received newly issued Archer shares prior to 30 June 2018, are entitled to receive JMEI credits in respect of the 2017/2018 financial year.

On 14 June 2018, the Company announced that its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme had been accepted for the 2018/19 financial year. 2018/19 JMEI credits are only available to new Archer shares issued by the Company between 1 July 2018 and 30 June 2019. The 2018/19 JMEI credits will be applied by the ATO to income tax assessed for the year ended 30 June 2019.

The JMEI scheme enables eligible exploration companies to create exploration credits to pass on to shareholders by forgoing a portion of the carried forward tax losses. The tax losses must have arisen from allowable expenditure on greenfield exploration.

The JMEI replaces the former Exploration Development Incentive scheme. The JMEI entitles Australian resident investors in small minerals exploration companies to a refundable tax offset if the company in which they have invested issued them an exploration credit.

The JMEI applies to Australian residents who acquire new shares in a greenfields minerals explorer before the end of an income year in which the Commissioner has made an exploration credits allocation but on or after the day on which the allocation is made. The shares must be equity interests for the purposes of the debt and equity tax rules.

#### Issued Capital

<b>Time</b>	<b>Shares on issue</b>	<b>Options on issue</b>	<b>Performance Rights on issue</b>
Start of Quarter	179,819,825	5,000,000 (Rix Options) 16,013,982 (SPP Options)	4,500,000
New issues during Quarter	7,106,004 <sup>(2)</sup>	Nil	Nil
Exercised/cancelled during the Quarter	Nil	(7,106,004) <sup>(2)</sup>	Nil
End of Quarter	186,925,829	5,000,000 (Rix Options) 8,907,978 (SPP Options)	4,500,000
On issue at 30/07/18	188,246,260 <sup>(3)</sup>	5,000,000 (Rix Options) 8,337,547 (SPP Options)	4,200,000 <sup>(4)</sup>

#### Notes

- (1) Options issued to Paul Rix, a director, exercise price of \$0.15, expiry date of 31 January 2019 and subject to satisfaction of certain vesting conditions.
- (2) Ordinary shares issued upon the exercise of 7,106,004 SPP Options.
- (3) 1,320,431 shares have been issued since the end of the Quarter as a result of the exercise of 570,431 SPP Options and the conversion of 750,000 Performance Rights into Shares.
- (4) 750,000 Performance Rights were converted into shares and an 450,000 new Performance Rights were issued to employees after the end of the Quarter.

For further information, please contact:

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## List of Archer tenements

Tenement	Location	Commodity
<b>South Australia</b>		
EL 5920 <sup>(1)</sup>	Carappee Hill	Graphite
EL 5804 <sup>(1)</sup>	Wildhorse Plains	Graphite
EL 5815 <sup>(1)</sup>	Waddikee	Graphite
EL 5383 <sup>(1)</sup>	Mt Messenger	Graphite
EL 5791 <sup>(1)</sup>	Cockabidnie	Graphite
EL 5434 <sup>(1)</sup>	North Cowell	Graphite
EL 6019 <sup>(2)</sup>	Witchelina	Magnesite
EL 5730 <sup>(2)</sup>	Termination Hill	Magnesite
EL 5433 <sup>(3)</sup>	Burra North	Base Metals
EL 5794 <sup>(3)</sup>	Blue Hills	Copper / Gold
EL 5769 <sup>(3)</sup>	Napoleons Hat	Copper / Gold
EL 5870 <sup>(3)</sup>	Carpie Puntha	Graphite
EL 5935 <sup>(3)</sup>	Whyte Yarcowie	Cobalt / Copper
EL 6000 <sup>(3)</sup>	Pine Creek	Copper / Gold
EL 6029 <sup>(3)</sup>	Altimeter	Copper / Gold
ML 6470	Campoona Shaft	Graphite mining
MPL 150	Sugarloaf	Graphite and graphene processing
MPL 151	Pindari	Process water for Sugarloaf
<b>New South Wales<sup>(3)</sup></b>		
EL 8592	Morris's Blow	Cobalt / Copper
EL 8593	Broken Hill	Cobalt / Copper
EL 8594	Broken Hill	Cobalt / Copper
EL 8595	Broken Hill	Cobalt / Copper
EL 8596	Kanbarra	Cobalt / Copper
EL 8597	Kanbarra	Cobalt / Copper
EL 8598	Kanbarra	Cobalt / Copper
<b>Tenements relinquished during, or after end, of Quarter</b>		
EL 4869	Beltana	Barite
PELA 567	Beltana	Petroleum
EL 5909	Yanyarrie	Barite

## Notes

- (1) These tenements have been transferred from Pirie Resources Pty Ltd (PRPL) to Archer Energy & Resources Pty Ltd (AER) and are awaiting Ministerial consent to the transfer. Under the terms of the Tenement Sale and Purchase Agreement, PRPL will still have the right to explore for, and if warranted mine, graphite on the area of the tenements.

Archer has executed a share agreement with Ballista Resources Limited (BRL) whereby BRL has agreed to buy all of the shares in AER. Completion under the share sale agreement is conditional on BRL listing on ASX.

- (2) The magnesite tenements were sold at the end of the Quarter. The sale and purchase of these tenements is subject to satisfaction of several conditions precedent. Completion of the sale and purchase is unlikely to take place until last Quarter of 2018/19.
- (3) These tenements are held by SA Exploration Pty Ltd (SAEx). Archer has executed a share agreement with Ballista Resources Limited (BRL) whereby BRL has agreed to buy all of the shares in SAEx. Completion under the share sale agreement is conditional on BRL listing on ASX.

## **Competent Person Statement**

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenhagen, Exploration Manager who is an employee of Archer Exploration Limited.

Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than twenty 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.