

ARCHER EXPLORATION LIMITED

ACN 123 993 233

NOTICE OF ANNUAL GENERAL MEETING - 2018

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting:

Friday, 30 November 2018

Time of Meeting:

10.30 am (Sydney time)

Place of Meeting:

Level 11, 60 Margaret Street
Sydney, NSW, 2000

Notice of Annual General Meeting – 2018

AGENDA

Notice is hereby given that the Annual General Meeting of the shareholders of Archer Exploration Limited will be held at Level 11, 60 Margaret Street, Sydney, NSW, 2000, on Friday, 30 November 2018 at 10.30 am (Sydney time).

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

GENERAL BUSINESS

FINANCIAL STATEMENTS AND REPORT

To receive and consider the Financial Report for the year ended 30 June 2018 and the reports of the Directors and Auditor, as set out in the 2018 Annual Report.

ORDINARY BUSINESS

RESOLUTION 1 - REMUNERATION REPORT

To consider, and if thought fit, to pass the following non-binding resolution as an ordinary resolution:

'That the Remuneration Report for the year ended 30 June 2018, as set out in the 2018 Annual Report, be adopted'

RESOLUTION 2 - RE-ELECTION OF PAUL RIX AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

'That Paul Rix, a Non-Executive Director retiring by rotation in accordance with ASX Limited (ASX) Listing Rule 14.5 and clause 2.5 of the Constitution of the Company, and being eligible for re-election, be re-elected as a Non-Executive Director of the Company.'

SPECIAL BUSINESS

RESOLUTION 3 - APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

'That, for the purpose of Listing Rule 7.1A, approval is given for the Company to issue Equity Securities totaling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Notice of Annual General Meeting – 2018

VOTING RESTRICTIONS

Resolution 1 (Remuneration Report)

In accordance with the Corporations Act, a vote must not be cast on Resolution 1 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, and any Closely Related Party of such a member. However, the member or any Closely Related Party of such a member may vote if:

- a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution, or by a person who is the chair of the meeting at which the resolution is voted on and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- b) it is not cast on behalf of a member of the Key Management Personnel or any Closely Related Party of such a member.

Resolution 3 (10% Additional Placement Capacity)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolutions 3 by any person who may participate in the proposed issue, or who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if Resolution 3 is passed, and any associates of such person. However, the Company need 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.

As at the date of this Notice of Meeting the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A, therefore it is not known who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A (if approved).

Notes

- The Board has determined under the rules of the Company's Constitution and the Corporations Regulations, that only registered holders of Shares as at 7:00pm (Sydney time) on 28 November 2018 are entitled to attend and vote at the Meeting.
- A Shareholder who is entitled to attend and cast a vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend or vote on the Shareholder's behalf. A proxy need not be a Shareholder.
- A Shareholder entitled to cast two or more votes may appoint up to two proxies and may specify the proportion of votes that each proxy may exercise. If the appointment does not specify the proportion, then each proxy may exercise half of the votes able to be cast by the appointing Shareholder.
- Shareholders wishing to appoint a proxy should follow the instructions on the proxy form included with this Notice of General Meeting and to be effective, the completed proxy form must be received by the Company by **no later than 10.30 am (Sydney time) on 28 November 2018** by:

Online: Enter the control number, SRN/HIN and postcode shown on the first page of the proxy form at www.investorvote.com.au

Mail: Archer Exploration Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia; or

Fax: Archer Exploration Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +613 9473 2555.

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

- A Shareholder that is a body corporate may appoint a representative (Corporate Representative) to attend in accordance with the *Corporations Act*.

Corporate Representatives or Shareholders with queries on how to complete the proxy form should contact the Company Secretary on (08) 8272 3288 during business hours.

By order of the Board



Damien Connor
Company Secretary
18 October 2018

Explanatory Memorandum

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice of Meeting and 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 **10.30am on Friday, 30 November 2018** at Level 11, 60 Margaret Street, Sydney, NSW, 2000.

This Explanatory Memorandum is a brief explanation of Resolutions 1 to 3 in the Notice of Annual General Meeting and why the Company is seeking Shareholder approval. It should be read in full and in conjunction with the accompanying Notice of Annual General Meeting before making any decision in relation to the resolutions.

FINANCIAL STATEMENTS AND REPORT

As required by Section 317 of the Corporations Act, the Financial Report and the reports of the Directors and the Auditor for the financial year ended 30 June 2018 will be laid before the Meeting.

During this item of business, Shareholders will be given reasonable opportunity to ask questions and make comments about the reports and the business and management of the Company.

There is no requirement for Shareholders to approve these reports. However, Shareholders will be given a reasonable opportunity to ask a representative of the Company's Auditor, Grant Thornton, questions in relation to the conduct of the audit (including the independence of the Auditor), and the accounting policies adopted by the Company.

RESOLUTION 1 - REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report contained in the Directors' Report set out in the 2018 Annual Report and is also available on the Company's website at www.archerx.com.au.

The Remuneration Report provides information on the following issues:

- the policies adopted by the Board for determining the nature and amount of remuneration of Directors, the company secretary and senior managers;
- the relationship between the remuneration policies and the Company's performance;
- the performance conditions that apply to the different components of the remuneration structure, why those performance conditions were chosen and how performance is measured against them; and
- remuneration details for Directors and senior executives.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objective and current and emerging market practices.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting.

The Shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company, in accordance with Section 250R of the Corporations Act. If more than 25% of the votes cast on a resolution to adopt the Remuneration Report are against the adoption of the Remuneration Report for two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution that another meeting be held within 90 days, at which all of the Company's Directors must stand for re-election. At the 2017 AGM, the Company's remuneration report for the year ended 30 June 2017 did not receive a 'no' vote of 25% or more.

Board Recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of adopting the Remuneration Report.

A voting exclusion statement for this Resolution 1 is set out in the Notice.

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

Explanatory Memorandum

RESOLUTION 2 - RE-ELECTION OF PAUL RIX AS A DIRECTOR

Clause 2.5 of the Company's Constitution requires that at every Annual General Meeting, one third of the Directors (excluding the Managing Director) must retire from office and are eligible for re-election. Also, under ASX Listing Rule 14.4 no Director may hold office without re-election beyond the third Annual General Meeting following the meeting at which the director was last elected or re-elected.

Accordingly, Mr Paul Rix will retire by rotation and seek re-election. The qualifications and experience of Paul Rix are set out below.

Paul Rix has been a Non-Executive Director of the Company since February 2016 and is a member of the Company's Audit & Risk Management Committee.

Paul Rix is an experienced mining professional with more than 30 years' experience in the marketing of industrial minerals and products. From 2003 – 2013, Paul 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.

The Board considers Paul to be an independent director.

Board Recommendation

The Directors (with Paul Rix abstaining) recommend that shareholders vote **IN FAVOUR** of Resolution 2 for the re-election of Paul Rix as a Director.

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

RESOLUTION 3 - APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

This Resolution 3 is a Special Resolution.

Background to Resolution 3

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting at which approval of the issue is obtained (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of this Notice and must remain compliant with the requirements of Listing Rule 7.1A at the date of the Meeting to be able to utilise the additional capacity to issue Equity Securities under that Listing Rule.

The Company is now seeking shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Capacity. The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Number of Shares

The formula for calculating the maximum amount of Equity Securities to be issued under the 10% Placement Capacity is calculated as follows:

$$(A \times D) - E$$

A is the number of fully paid ordinary shares on issue 12 months before the date of issue:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;

Explanatory Memorandum

- plus the number of fully paid ordinary shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4 (excluding an issue of shares under the Company's 15% placement capacity without Shareholder approval);
- less the number of fully paid ordinary shares cancelled in the 12 months.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under this Listing Rule 7.1A.2 in the 12 months before the date of the issue and that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1

At the date of this Notice, the Company has on issue 188,302,114 Shares and therefore has capacity to issue:

- 1) 28,245,317 Equity Securities under Listing Rule 7.1 and
- 2) 18,830,211 Equity Securities under Listing Rule 7.1A (subject to approval of this Resolution 3).

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in the table below.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

1) Minimum issue price

For the purpose of Listing Rule 7.1.A.3, the issue price of Equity Securities under this 10% Placement Capacity will be no less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the price at which the securities are to be issued is agreed; or
- ii) if the securities are not issued within 5 trading days of the date in paragraph i), the date on which the securities are issued.

2) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of unlisted options, only if the unlisted options are exercised).

There is a risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the approval under rule 7.1A; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below describes the potential dilution of existing ordinary security holders on the basis of at least three different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2, and also shows:

- i) at least one example that assumes variable "A" is double the number of ordinary securities on issue at the time of the approval under rule 7.1A. Variable "A" is the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) at least one example where the issue price of ordinary securities has fallen by at least 50%.

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Variable 'A' in Listing rule 7.1A.2		Dilution at different share prices		
		\$0.0375 (50% decrease)	\$0.075 (Issue Price)	\$0.15 (100% increase)
Current Variable A 188,302,114 Shares	10% voting dilution	18,830,211 Shares	18,830,211 Shares	18,830,211 Shares
	Funds raised	\$706,132	\$1,412,265	\$2,824,531
50% increase in current Variable A 282,453,171 Shares	10% voting dilution	28,245,317 Shares	28,245,317 Shares	28,245,317 Shares
	Funds raised	\$1,059,199	\$2,118,398	\$2,236,797
100% increase in current Variable A 376,604,228 Shares	10% voting dilution	37,660,422 Shares	37,660,422 Shares	37,660,422 Shares
	Funds raised	\$1,412,265	\$2,824,531	\$5,649,063

The table has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- ii) No unlisted options (including any unlisted options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or as a result of any issues of Equity Securities pursuant to any other approval under Chapter 7 of the Listing Rules.
- vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- vii) The issue price is \$0.075, being the closing price of the Shares on ASX on 15 October 2018.

3) Timing

The date by which the Equity Securities may be issued is the earlier of:

- i) the date that is 12 months after the date of this Annual General Meeting; and
- ii) the date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (change involving main undertaking).

The approval will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (change involving main undertaking).

4) Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities for the following purposes:

- 1) non-cash consideration for the acquisition of the new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- 2) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new resources, assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

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The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Additional Placement Capacity.

5) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 1) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- 2) the effect of the issue of the Equity Securities on the control of the Company;
- 3) the financial situation and solvency of the Company; and
- 4) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

6) Previously obtained approval under rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2017 AGM on 3 November 2017. As such, for the purposes of rule 7.3A.6:

- a) the total number of Equity Securities issued in the 12 months preceding the date of the meeting is 19,089,125 (being 18,639,125 unlisted options and 450,000 Performance Rights) and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 9.3%.

Note: To avoid double-counting, this % calculation does not include the Shares issued during the 12 month period preceding the date of the meeting that relate to the exercise of 10,357,432 unlisted SPP Options and 750,000 Performance Rights. The table below at b), however, does disclose details of all Equity Securities issued within that 12-month period, including those Shares issued from exercise of unlisted SPP Options and Performance Rights;

- b) details of all issues of Equity Securities issued by the Company during the 12 months preceding the date of the meeting, including for each such issue the required information under Listing Rule 7.3A.6(b) is set out in the table below:

Issue date, number and class of Equity Securities and summary of key terms	Names of persons who received securities or basis on which those persons were determined	Issue Price of Equity Securities and discount to market price ¹ on the trading day prior to issue	If issued for cash – the total consideration, the amount of cash that has been spent, what it was spent on and the intended use of the remaining funds. If issued for non-cash – a description of the consideration and the current value of the consideration.
22 January 2018 18,639,125 SPP Options ²	Applicants under the Prospectus for SPP Options. ⁵	Nil issue price. Nil discount as nil issue price.	SPP Options were attaching to Shares issued under the Company's share purchase plan dated 13 November 2017 (SPP), and issued at nil consideration to the holder.
16 Feb 2018 1,670,314 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 32% to the market price of 15 Feb 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options \$125,322 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.

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13 Mar 2018 954,175 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 22% to the market price of 12 Mar 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$71,563 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.
3 April 2018 628,359 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 35% to the market price of 29 Mar 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$47,127 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.
1 May 2018 696,008 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 50% to the market price of 30 Apr 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$52,200 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.
16 May 2018 1,670,314 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 44% to the market price of 15 May 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$125,273 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.
7 Jun 2018 1,166,940 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 32% to the market price of 6 Jun 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$87,520 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.
25 Jun 2018 2,634,457 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 25% to the market price of 22 Jun 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$197,584 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.

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29 Jun 2018 309,926 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 29% to the market price of 28 Jun 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$23,244 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.
6 Jul 2018 750,000 Shares ³	150,000 each to Directors G English, A McCleary and P Rix. 150,000 to Company Secretary. 150,000 to Exploration Manager.	Nil issue price. Nil discount as nil issue price.	The Shares were issued upon the exercise of vested Performance Rights. Current value: The value of the Shares is 10 cents per Share based on the closing price of the Share on the date of issue (the opening price of the Share on the date of issue was also 10 cents).
6 Jul 2018 450,000 Unlisted Performance Rights (Rights) ⁴	Issued to employees of the Company. No related party participation.	Nil issue price. No discount as nil issue price.	Consideration: Performance based remuneration for services provided to the Company. Current value: The unlisted Employee Performance Rights are not listed Securities and therefore the most relevant value is the valuation upon issue of Securities on 6 July 2018. The Performance Rights are valued at approx. 7 cents each.
25 Jul 2018 570,431 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 29% to the market price of 24 Jul 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$42,782 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.
18 Aug 2018 55,854 Shares ³	Applicants under the Prospectus for SPP Options. ⁵	\$0.075 per Share. Discount of approx. 15% to the market price of 17 Aug 2018.	The Shares were issued at a price of 7.5 cents per Share upon exercise of SPP Options. \$4,189 cash raised and expended entirely to fund the integration of the recently acquired Carbon Allotropes online marketplace business, development of the Eyre Peninsula Graphite Project, exploration of the Company's copper and cobalt projects, and working capital to enable the Company to support its proposed activities.

1. The closing price on the trading platform, excluding special crossings and overnight sales.
2. SPP Options are unlisted option with an exercise price of \$0.075 and expiry date of 28 February 2019, as detailed in the Prospectus for SPP Options.
3. Fully paid ordinary Shares.
4. Employee Performance Rights issued under the Company's Performance Rights Plan on 6 July 2018. The Performance Rights are subject to meeting vesting criteria and generally any unvested Performance Rights will be forfeited at the expiry date on 31 July 2019 or on termination of the holder's employment or services to the Company. The Performance Rights vest over 1 year commencing in July 2019. On vesting, the holder will be issued Shares in the Company on a one for one basis and the holder will not pay for the Shares. The Performance Rights are governed by detailed terms and conditions of the Company's Performance Rights Plan. Valuation has been determined using the Monte Carlo valuation.
5. Shares were issued following the exercise of unlisted options (SPP Options), exercisable at \$0.075 on or before 28 February 2019, pursuant to the Prospectus for SPP Options.

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Board Recommendation

The Board considers that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required.

Accordingly, the Directors unanimously recommend that Shareholders vote **IN FAVOUR** of Resolution 3.

A voting exclusion statement for this Resolution 3 is set out in the Notice.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 3.

DEFINITIONS

In the Explanatory Memorandum and Notice of Annual General Meeting:

2018 Annual Report means the Company's annual report for the 2017/2018 financial year.

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.

Closely Related Party has the same meaning as in the Corporations Act.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Key Management Personnel means a member of the key management personnel as disclosed in the Remuneration Report.

Listing Rules means the listing rules of ASX.

Meeting means the Annual General Meeting of Shareholders to be held at Level 11, 60 Margaret Street, Sydney, NSW, 2000, on 30 November 2018 at 10.30 am (Sydney time).

Member or **Shareholder** means each person registered as the holder of a Share.

Notice means this Notice of Annual General Meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

Performance Right means an unlisted right to receive a fully paid ordinary share in the Company for each Performance Right at no cost.

Prospectus for SPP Options means the Prospectus for the offer of SPP Options dated 5 December 2017.

Remuneration Report means the report of the same name on pages 50 to 57 of the 2018 Annual Report.

Resolution means a resolution referred to in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Special Resolution means a resolution passed by 75% or more of the votes at a general meeting of Shareholders.

SPP means the Company's share purchase plan dated 13 November 2017.

SPP Option means an unlisted option with an exercise price of \$0.075 and expiry date of 28 February 2019, as detailed in the Prospectus for SPP Options.

VWAP means volume weighted average market price.



Archer Exploration Limited

ABN: 64 123 993 233

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

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AXE MR SAM SAMPLE FLAT 123 123 SAMPLE STREET THE SAMPLE HILL SAMPLE ESTATE SAMPLEVILLE VIC 3030

Proxy Form

XX

Vote and view the annual report online. Includes QR code and access information (Control Number: 999999, SRN/HIN: I999999999, PIN: 99999).

For your vote to be effective it must be received by 10:30am (Sydney time) Wednesday 28 November 2018

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.

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.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll.

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.

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.

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 ->

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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.



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I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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 Annual General Meeting of Archer Exploration Limited to be held at **Level 11, 60 Margaret Street, Sydney NSW on Friday, 30 November 2018 at 10:30am (Sydney 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 1** (except where I/we have indicated a different voting intention below) even though **Item 1** 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 1** 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. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Paul Rix as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

3. Approval of 10% additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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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

999999A

Computershare