

ARCHER EXPLORATION LIMITED

ACN 123 993 233

NOTICE OF ANNUAL GENERAL MEETING - 2019

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting:

Wednesday, 30 October 2019

Time of Meeting:

10.00 am (Sydney time)

Place of Meeting:

Level 17, 383 Kent Street
Sydney, NSW, 2000

Notice of Annual General Meeting – 2019

The Annual General Meeting of Archer Exploration Limited will be held at Level 17, 383 Kent Street, Sydney, NSW, 2000, on Wednesday, 30 October 2019 at 10.00 am (Sydney time).

General Business

Financial Statements and Report

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

Ordinary Resolutions

1. Remuneration Report

To consider, and if thought fit, to pass the following non-binding Ordinary Resolution:

'That the Remuneration Report for the year ended 30 June 2019 be adopted'

2. Re-election of Alice McCleary as a Non-Executive Director

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

'That Alice McCleary be re-elected as a Non-Executive Director of the Company.'

3. Ratification of prior issue of Placement Shares

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

'To ratify the issue of 4,285,714 Placement Shares, on the terms and conditions as set out in the Explanatory Memorandum.'

4. Approval to issue up to 30,000,000 New Shares

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

'The ability to allot and issue up to 30,000,000 New Shares to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.'

5. Approval of Performance Rights Plan and Share Option Plan

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

'That, the issue from time to time of securities in the Company under the Archer Exploration Limited Performance Rights and Share Option Plan, be approved for the purpose of ASX Listing Rule 7.2, exception 9(b).'

6. Approval to issue Incentive Options to Employees

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

'To approve the grant a total of 9,500,000 Incentive Options to employees and consultants of the Company, or their respective nominees, as described in the Explanatory Memorandum.'

7. Approval to issue Incentive Options to Director Gregory English

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

'To approve the grant a total of 5,000,000 Incentive Options to Gregory English, a Director of the Company, or his nominee, as described in the Explanatory Memorandum.'

8. Approval to issue Incentive Options to Director Alice McCleary

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

'To approve the grant a total of 1,500,000 Incentive Options to Alice McCleary, a Director of the Company, or her nominee, as described in the Explanatory Memorandum.'

9. Approval to issue Incentive Options to Director Paul Rix

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

'To approve the grant a total of 1,500,000 Incentive Options to Paul Rix, a Director of the Company, or his nominee, as described in the Explanatory Memorandum.'

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Special Resolutions

10. Approval of 10% additional placement capacity

To consider, and if thought fit, to pass the following 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 described in the Explanatory Memorandum.'

11. Change of Company name

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

'The change of the name of the Company to Archer Materials Limited and for all references to the Company's name in the constitution of the Company to be replaced with Archer Materials Limited.'

12. Renewal of proportional takeover provisions in the Constitution

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

'That the existing proportional takeover provisions in the form set out in Clause 12.2 of the Company's constitution, as set out in Annexure C of the Explanatory Memorandum, are renewed for a period of three years commencing on the date of the Meeting pursuant to section 648G of the Corporations Act.'

Chairman's voting intention

The Chairman intends to vote undirected proxies on, and in favour of, all the proposed resolutions. If there is a change to how the Chairman intends to vote undirected proxies, then the Company will make an announcement to the market.

Voting Exclusions

Resolution 1 (Remuneration Report),

A vote must not be cast (in any capacity) on Resolution 1 by, or on behalf of:

- a) a member or a former member of the Key Management Personnel, details of whose remuneration are included in the 2019 Remuneration Report; or
- b) a Closely Related Party of such a member, unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form.

This restriction on voting undirected proxies does not apply to the Chairman acting as proxy for a person entitled to vote on Resolutions 1 because the Company's proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies.

Resolution 3 (Ratification of prior issue of Placement Shares under ASX Listing Rule 7.1)

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who participated in the issue of Placement Shares 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.

Resolution 4 (Share Placement Facility) and Resolution 10 (10% Additional Placement Capacity)

The Company will disregard any votes cast in favour of Resolutions 4 and 10 by or on behalf of 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 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 or under Resolution 10 (if approved), 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 or under Resolution 4 (if approved).

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Resolution 5 (Approval of Performance Rights Plan and Share Option Plan),

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if:

- a) it is cast by that 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 who is 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 the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly authorises the a person who is the chair of the meeting to exercise undirected proxies. However, the member or any Closely Related Party of such a member may vote if 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.

Resolution 6 (Approval to issue Incentive Options to Employees)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 6 by any person who is proposed to be issued Incentive Options under Resolution 6, and their respective associates. 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.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly authorises the person who is the chair of the meeting to exercise the proxy. However, the member or any Closely Related Party of such a member may vote if 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.

Resolution 7 (Approval to issue Incentive Options to Director Gregory English), Resolution 8 (Approval to issue Incentive Options to Director Alice McCleary) and Resolution 9 (Approval to issue Incentive Options to Director Paul Rix)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 7 by Gregory English, Resolution 8 by Alice McCleary and Resolution 9 by Paul Rix, and their respective associates. 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.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly authorises the person who is the chair of the meeting to exercise the proxy. However, the member or any Closely Related Party of such a member may vote if 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.

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How to vote

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 October 2019** 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 10.00 am (Sydney time) on 28 October 2019** 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 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
17 September 2019

Explanatory Memorandum

Financial Statements and Report

As required by Section 317 of the Corporations Act, the Financial Report, Directors' Report and the Auditor's Report for the most recent financial year will be laid before the Meeting.

This Item does not require a formal resolution to be put to the Meeting and there is no requirement for Shareholders to approve these reports.

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. Also, 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 pages 36 to 44 of the Company's 2019 Annual Report and is also available on the Company's website at www.archerx.com.au.

The report outlines the Company's executive remuneration framework and the remuneration outcomes for the Company Board, CEO and Key Management Personnel.

The Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the meeting before calling for a vote.

The Shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. The Board will consider and take into account the outcome of the vote and feedback from shareholders on the remuneration report when reviewing the Company's remuneration policies.

Board Recommendation

The non-executive directors unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 2 - Re-Election of Alice McCleary as a Non-Executive Director

Alice McCleary has been a Non-Executive Director of the Company since 16 February 2007 and is Chair of the Company's Audit & Risk Management Committee.

Alice is a Chartered Accountant. She is Deputy Chair of the Uniting Church of South Australia's Resources Board. She is a former Chairman of ASX Listed Company Twenty Seven Co. Limited (ASX:TSC) and former Director of Adelaide Community Healthcare Alliance Inc. (ACHA), Benefund Ltd and Forestry Corporation of South Australia.

Previous leadership roles include Vice-President of the South Australian Chamber of Mines and Energy (SACOME), Deputy Chancellor of the University of South Australia and National President of the Taxation Institute of Australia. Alice's professional interests include financial management and corporate governance.

The Board considers that Ms M^cCleary's comprehensive experience in taxation in Australia and overseas, together with Alice's expertise in risk management and corporate governance provides the Board with strong technical and general financial skills, which are particularly valuable in Ms M^cCleary's role as Chair of the Company's Audit & Risk Management Committee.

The Board (with Ms M^cCleary abstaining) considers Alice to be an independent director.

Board Recommendation

The Board (with Alice M^cCleary abstaining) unanimously recommends that shareholders vote in favour of this Resolution.

Explanatory Memorandum

Resolution 3 - Ratification of prior issue of Placement Shares under ASX Listing Rule 7.1

Background

On 21 May 2019, the Company announced a placement to professional and sophisticated investors, involving the issue of 4,285,714 Shares at a price of \$0.07 (7 cents) per Share (**Placement Shares**) to raise \$300,000 (before costs).

ASX Listing Rules and Reasons for Seeking Shareholder Approval

Listing Rule 7.1 provides, in summary, that a listed company may not issue a number of equity securities that exceeds 15% of the number of issued ordinary shares of the company, unless an exception in Listing Rule 7.2 applies. The Company determined that it was able to issue all of the Placement Shares within the 15% limit of its placement capacity and accordingly no shareholder approval was required.

Listing Rule 7.4 provides that an issue of equity securities by a company made under Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and it is subsequently approved by the company's shareholders.

If shareholders approve the issue of the Placement Shares for the purpose of Listing Rule 7.4, then the issue of the Placement Shares will not count towards determining the number of equity securities which the Company can issue under Listing Rule 7.1. However, if shareholders do not approve the issue of the Shares for the purpose of Listing Rule 7.4, the issue of the Placement Shares will count towards the number of equity securities which the Company can issue in any 12-month period.

Key Information

ASX Listing Rule 7.5 requires the following information about the Placement to be given to the Company's shareholders, in respect of Resolution 3:

<i>Number of securities issued:</i>	4,285,714 Shares
<i>Date of issue:</i>	Placement Shares were issued on 21 May 2019.
<i>Issue price:</i>	\$0.07 (7 cents) per Share
<i>Terms:</i>	The Placement Shares were fully paid ordinary shares in the Company and were issued on the same terms as the Company's existing Shares.
<i>Names of allottees:</i>	All Placement Shares were issued to investors who were able to satisfy the 'professional and sophisticated investor' requirements under the Act, or who for other reasons did not require a disclosure document to be prepared, in order to take up Shares in the Company. Accordingly, the Company was able to make this placement, without needing to prepare a prospectus or other disclosure document.
<i>Use of funds:</i>	The funds raised from the Placement are being used to fund ongoing investment in growth opportunities and general working capital.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Explanatory Memorandum

Resolution 4 - Approval to issue up to 30,000,000 new Shares

Background to Resolution 4

The share placement facility will allow the Board to place new Shares in the event that a business opportunity presents itself to the Company within three months of the date of the Meeting (or such later date permitted under the Listing Rules). At this stage, the Board is not aware of any such business opportunity.

Listing Rule Disclosure Requirements

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:

<i>Maximum number of securities issued:</i>	Up to 30,000,000
<i>Date of issue:</i>	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). It is likely that the Shares will be allotted either all at once or on several dates during the 3 month period.
<i>Issue price:</i>	No lower than 80% of the 5 day VWAP calculated over the last 5 days: <ul style="list-style-type: none">• on which sales of the Shares were recorded before the day on which the issue is made; or• if there is a prospectus relating to the issue, on which sales of Shares are recorded before the date of the prospectus
<i>Terms:</i>	The new Shares will fully paid ordinary shares in the Company and will be issued on the same terms as the Company's existing Shares.
<i>Names of allottees:</i>	The names of the proposed allottees are not known and the quantity of the Shares to be issued to each allottee is not known.
<i>Use of funds:</i>	The Company intends to use the funds raised from the issue of the Shares to fund the Company's Advanced Materials and Mineral Exploration businesses and for general working capital

If Resolution 4 is not approved

If Shareholders do not approve Resolution 4, then the Company's ability to issue further securities in the 3 month period following the Annual General Meeting, without Shareholder approval, will be reduced. However, subject to the Listing Rules, the Company may still issue or agree to issue further Shares within the limit of the existing 15% capacity within Listing Rule 7.1 and 10% capacity within Listing Rule 7.1A without seeking Shareholder approval. Alternatively, the Company may elect to issue new Shares subject to Shareholder approval at a general meeting of member.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 5 - Approval of Performance Rights and Share Option Plan

Background

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 9, to approve the Archer Exploration Limited Performance Rights and Share Option Plan (**Plan**) and to enable the securities granted under the Plan, and Shares issued upon the vesting or exercise of such securities, to be exempted from contributing towards the rolling annual limit of 15% of issued Shares prescribed by Listing Rule 7.1.

The Plan provides for the issue of performance rights (**Rights**) or options (**Options**) to employees and consultants of the Company. The Company has adopted the Plan as part of the overall remuneration strategy of the Company and is designed to assist the Company to attract and retain key employees and consultants of the Company and provide them with an incentive to maximise the return to Shareholders over the long term.

A summary of the material terms of the Plan is included at Annexure C to this Notice.

Explanatory Memorandum

Specific information required for approval under Listing Rule 7.2 (Exception 9(b))

In accordance with the requirements of Listing Rule 7.2 Exception 9(b), the Company provides the following information:

- (a) a summary of the material terms of the Plan is set out in Annexure C; and
- (b) as the Plan is being approved for the first time, no securities have been issued under it.

Board Recommendation

As the Directors have an interest in the outcome of Resolution 5, the Directors make no voting recommendation to Shareholders as to how to vote in relation to Resolution 5.

Resolutions 6, 7, 8 and 9 - Approval to issue Incentive Options to Directors and Employees

Background

The Company is seeking shareholder approval to grant a total of 17,500,000 Incentive Options (**Incentive Options**) to Directors and Employees of the Company, or their respective nominees (together the **Participants**). The Board has formed a view that the proposed grant of Incentive Options provides a non-cash incentive to Directors and key Employees, that better aligns them with Shareholder interests. It is proposed that a total of 8 million Incentive Options will be issued to Directors (Resolutions 7, 8, and 9) and 9.5 million Incentive Options will be issued to Employees (Resolution 6).

Under the Listing Rules, if the equity securities are issued under an employee incentive scheme which has been approved by shareholders within the last three years, then the issue of equity securities under an employee incentive scheme is not included in the 15% placement capacity under Listing Rule 7.1.

The Archer employee incentive scheme was last approved in 2017 however, Resolution 5 seeks approval of the new Archer Exploration Limited Performance Rights and Share Option Plan. The Board considers it prudent to seek shareholder approval for the issue of the Incentive Options in the event that the Plan is not approved under Resolution 5, so that the granting of Incentive Options will not count towards determining the number of equity securities which the Company can issue under Listing Rule 7.1.

In addition, the issue of the Incentive Options to Directors requires shareholder approval under the Listing Rules.

1. Terms and Conditions

The terms and conditions of the Incentive Options proposed to be granted are detailed at below and Annexure B. The Incentive Options will also be subject to the terms and conditions of the Company's Performance Rights and Share Option Plan and the Company's constitution.

2. ASX Listing Rule Requirements

ASX Listing Rule 10.14 provides that a listed company may only permit a director of the Company to acquire newly issued shares or rights to shares under an employee incentive scheme where that director's participation has been approved by an ordinary resolution of shareholders.

3. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of Incentive Options to Directors contemplated by Resolutions 7, 8 and 9 constitutes the provision of a financial benefit to a related party.

The Board has considered the application of Chapter 2E of the Corporations Act (related party provisions) and has resolved that the arm's length and reasonable remuneration exceptions provided by sections 210 and 211 of the Corporations Act are relevant in the circumstances and accordingly, the Company will not also seek approval for the issue of Incentive Options to Directors, pursuant to section 208 of the Corporations Act.

Explanatory Memorandum

4. Information required by Listing Rule 10.15 and Listing Rule 7.3

Listing Rules 10.15 and 7.3 requires that the following information to be provided to Shareholders:

<i>Name of allottees* and the number of Incentive Options to be issued:</i>	Name	Role	No. of Incentive Options
	Gregory English	Executive Chairman	5,000,000
	Alice M ^C Cleary	Director	1,500,000
	Paul Rix	Director	1,500,000
	Dr. Mohammad Choucair	CEO	3,500,000
	Other employees		6,000,000
<i>* allottees may elect to have their entitlement issued to a nominee</i>			
<i>The date by which the Incentive Options will be issued:</i>	All Incentive Options will be issued to Participants as soon as practicable, but in any event will be issued no later than one month after the date of this Meeting.		
<i>Exercise Price:</i>	145% of the 5 day VWAP of Shares up to and including the issue date		
<i>Expiry Date:</i>	31 March 2023		
<i>The issue price of the Incentive Options:</i>	The Incentive Options will be issued for nil cash consideration.		
<i>The terms of issue of the Incentive Options:</i>	Each Unlisted Option is an Option to subscribe for a fully paid ordinary share in the capital of the Company, on the same terms and conditions as the Company's existing Shares. Incentive Options will be issued on the terms and conditions set out in Annexure B and be subject to the terms of the Plan.		
<i>The intended use of funds:</i>	The Incentive Options will be issued for nil consideration and no funds will be raised from the grant of Incentive Options. It is anticipated that any funds raised from the exercise of Incentive Options (if this occurs) will be used for general working capital. There is no guarantee that the Incentive Options will be exercised at all.		

5. Dilution effect of grant of Incentive Options

If any of the Incentive Options are exercised, then the effect would be to dilute the shareholding of existing Shareholders. The number of equity securities currently on issue and the dilutionary effects of the issue of the Incentive Options are summarised below.

Type of security	Number	% (fully diluted basis)
Shares currently on issue	197,091,783	91.84%
Other equity securities (e.g. options, rights etc)	Nil	
Incentive Options to be issued to Directors	8,000,000	3.73%
Incentive Options to be issued to Employees	9,500,000	4.43%
Total	214,591,783	100%

6. Individual security holdings of Key Management Personnel

The equity securities in the Company currently held directly and indirectly by the Key Management Personnel as at the date of this Notice of Meeting are set out below.

	No. shares	No. other Equity Securities	% Share capital (undiluted basis)
Gregory English <i>Executive Chairman</i>	9,482,233	Nil	4.81%
Dr Mohammad Choucair <i>Chief Executive Officer</i>	3,112,500	Nil	1.57%
Alice M ^C Cleary <i>Non-executive Director</i>	2,700,761	Nil	1.37%
Paul Rix <i>Non-executive Director</i>	312,500	Nil	0.15%
Damien Connor <i>Company Secretary / CFO</i>	262,500	Nil	0.13%

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7. Other aspects of remuneration packages of Key Management Personnel

Gregory English is entitled to an annual salary of \$330,000 (inclusive of 9.5% Superannuation), and a discretionary bonus up to 15% of his salary each year, determined with reference to key performance indicators set by the Board annually.

Dr Mohammad Choucair is entitled to an annual salary of \$191,625 (inclusive of 9.5% Superannuation), and may be eligible to participate in any incentive or bonus plans, as may be introduced by the Company from time to time. In respect of the year ending 30 June 2020, the board have offered a discretionary bonus up to 25% of his annual salary, determined with reference to key performance indicators set by the Board.

Alice M^cCleary and Paul Rix are each entitled to an annual director's fee, which is currently \$65,000 (including superannuation).

Damien Connor is paid an hourly rate for the provision of services in his role as the Company's Chief Financial Officer and Company Secretary.

8. Rationale and Recommendation

The Incentive Options, including those proposed to be issued to or for the benefit of the Directors, are seen by the Board as a means of incentivising directors, employees and key consultants in a way that better aligns their interests with Shareholder interests.

The Incentive Options, if approved for issue, will form part of each Participants respective remuneration package and will be in addition to the respective remuneration and fees payable to each Participant.

The Board notes that the grant of the Incentive Options to each of the Non-Executive Directors (Alice M^cCleary and Paul Rix) is contrary to the guidelines on non-executive director remuneration in Box 8.2 of Recommendation 8.3 of the ASX's Corporate Governance Council's Principles and Recommendations.

The Board considers the grant of the Incentive Options, including those proposed to be granted to the Participating Directors, to be reasonable and appropriate in the circumstances for the reasons described above.

9. Effect on earnings and other

Given the Incentive Options vest immediately on the date of issue, there will be an effect on the Company's earnings for the financial year ended 30 June 2020 in that the Company will likely recognise a share-based payment expense in the Company's profit and loss statement for that year. The opportunity costs, taxation consequences (such as fringe benefits tax) and benefits foregone by the Company is nil.

10. Date by which Incentive Options will be granted

The proposed grants of Incentive Options to all Participants are expected to be made on or around 31 October 2019 but not later than 30 November 2019, subject to shareholder approval of Resolution 6, 7, 8 and 9.

11. Consequences if approval not obtained

If shareholders do not approve the proposed issue of the 17.5 million Incentive Options, subject of Resolutions 6, 7, 8 and 9, then the grant of the Incentive Options will not proceed. This may impact Archer's ability to incentivise Participants and align their interests with those of shareholders. The Board will need to consider alternative remuneration arrangements, which may not be consistent with Archer's remuneration principles, including a cash payment.

The passing of Resolutions 6, 7, 8, and 9 are each conditional upon, and subject to shareholders approving all Resolutions to approve the issue of Incentive Options to Directors and Employees (being Resolutions 6, 7, 8 and 9). Accordingly, if you intend to vote in favour of issuing Incentive Options to Directors and Employees, you should vote in favour of Resolution 6, Resolution 7, Resolution 8 and Resolution 9.

12. Board Recommendation – Resolutions 6, 7, 8 and 9.

Each of the Directors have a material personal interest in the outcome of Resolutions 6, 7, 8 and 9 and in accordance with ASIC guidance on the matter, each Director considers that it is not appropriate for them to make a recommendation in relation to the remuneration of another Director. Accordingly, all Directors decline to make any recommendation to Shareholders in relation to Resolutions 6, 7, 8 and 9.

Explanatory Memorandum

Resolution 10 - Approval of 10% Additional Placement Capacity

This Resolution 10 is a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote on this Resolution.

Background to Resolution 10

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.

The Company is now seeking shareholder approval to have the ability to issue Equity Securities under the 10% Placement Capacity.

Number of Shares

The maximum number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the following formula:

(A x 10%) – 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;
- 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.

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.

At the date of this Notice, the Company has on issue 197,091,783 Shares and therefore has capacity to issue:

- 1) 29,563,767 Equity Securities under Listing Rule 7.1 (subject to approval of Resolution 3 in this Notice) and
- 2) 19,709,178 Equity Securities under Listing Rule 7.1A (subject to approval of this Resolution 10).

Specific information required by the Listing Rules

1) Minimum issue price

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.

Explanatory Memorandum

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, then the existing Shareholders' voting power in the Company will be diluted. 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%.

Variable 'A'		No. Shares issued under 10% placement capacity	Dilution at different share prices		
			\$0.065 (50% decrease)	\$0.13 (Current Price)	\$0.26 (100% increase)
Current	197,091,783	19,708,178	\$1,281,096	\$2,562,193	\$5,124,386
150%	295,637,674	29,563,767	\$1,921,644	\$3,843,289	\$7,686,579
200%	394,183,566	39,418,356	\$2,562,193	\$5,124,386	\$10,248,772

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 Incentive Options (including any Incentive 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 \$0.13, being the closing price of the Shares on ASX on 6 September 2019.

Explanatory Memorandum

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.

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 2018 AGM on 30 November 2018. 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 8,789,669 (being 716,455 Shares issued from exercise of previously issued Incentive Options and 3,787,500 Shares issued following vesting of previously issued performance rights and 4,285,714 Shares issued pursuant to a placement subject of Resolution 3 of this Notice) and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 4.7%.

Explanatory Memorandum

- 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	Names of recipients	Issue Price and discount to market price ¹	Consideration and use of funds	
31 Oct 2018 3,000,000 Shares ²	M Choucair, Chief Executive Officer.	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 7 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 6.8 cents).	
21 May 2019 4,285,714 Shares ²	Sophisticated and professional investors	\$0.070 per Share. Discount of approx. 14.6% to the market price of 20 May 2019.	The Shares were issued at a price of 7.0 cents per Share pursuant to a Placement. \$300,000 cash raised (before costs) and expended entirely to fund ongoing investment in growth opportunities and general working capital.	
8 Jul 2019 787,500 Shares ²	112,500 each to Directors G English, A McCleary and P Rix. 112,500 each to CEO, Company Secretary, Exploration Manager and Marketing and Communications Officer.	Nil issue price. Nil discount as nil issue price.	The Shares were issued upon the exercise of vested Performance Rights. Shareholder approval was previously received at the 2016 Annual General Meeting in respect of the Performance Rights issued to Directors. Current value: The value of the Shares is 12 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 12 cents).	
Shares issued on exercise of SPP Options				
31 Oct 2018 13,964 Shares ³	Issued to Shareholder applicants under the Prospectus for SPP Options ³	\$0.075 per Share (10.3% premium)	\$1,047 cash raised	Funds were raised under the SPP for the purpose of funding the integration of the 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.
4 Jan 2019 107,054 Shares ³		\$0.075 per Share (1.4% premium)	\$8,029 cash raised	
21 Feb 2019 169,364 Shares ³		\$0.075 per Share (1.4% premium)	\$12,702 cash raised	
6 Mar 2019 426,073 Shares ³		\$0.075 per Share (1.4% premium)	\$31,955 cash raised	

1. The closing price on the trading platform, excluding special crossings and overnight sales.
2. Fully paid ordinary Shares.
3. Shares were issued following the exercise of Incentive Options (SPP Options), exercisable at \$0.075 on or before 28 February 2019, pursuant to the Prospectus for SPP Options.

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 Board unanimously recommends that Shareholders vote in favour of Resolution 10.

Explanatory Memorandum

Resolution 11 - Change of company name

It is proposed that shareholders approve the Company's name being changed from "Archer Exploration Limited" to "Archer Materials Limited". In accordance with section 157 of the Corporations Act, if a company wishes to change its name, it must pass a special resolution of shareholders to adopt the new name. A special resolution requires approval of 75% of the votes cast by Shareholders present and eligible to vote on this Resolution.

The Company's business has been redefined and reshaped over the past 18 months. The Company is no longer a purely minerals exploration focused business but is now an Advanced Materials development and minerals exploration company. Our strategy is to develop technologies and explore for minerals that will form the materials of the future (e.g. graphene).

The Board sees this as the right time for the Company to adopt a new company name and corporate identity that better represents the breadth of its current operations, marks the Company's evolution and frames up its forward looking aspirations. The Company's ASX listing code will remain unchanged as 'AXE', even if the Company name is changed to Archer Materials Limited.

The proposed name has been reserved by the Company and if Resolution 11 is passed, the Company will lodge a copy of the special resolution with ASIC following the meeting in order to effect the change. If Resolution 11 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 11.

Resolution 12 - Renewal of proportional takeover provisions in the constitution

This Resolution 12 is a Special Resolution.

a) Background to Resolution 9

The Company's Constitution currently contains provisions dealing with proportional takeover bids for Archer Exploration Limited Shares in accordance with the Corporations Act. The provisions, which are contained in Clause 12.2 of the Constitution, are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years or they will cease to have effect. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three year period commencing on 30 October 2019.

The Corporations Act requires that the following information be provided to shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

b) Effect of a proportional takeover bid provision

A proportional takeover bid is one where an offer is made to each shareholder for a proportion of that shareholder's shares.

If the proportional takeover provisions in the Constitution are renewed and a proportional takeover bid is made after the date of the Meeting, then the Directors must hold a meeting of the shareholders of the class of shares being bid for to consider whether or not to approve the bid.

The Directors must ensure that a resolution to approve the bid is voted on at least 14 days before the last day of the bid period. The resolution will be passed if more than 50 percent of eligible votes are cast in favour of the approval.

The bidder and its associates are not allowed to vote on the resolution.

If no such resolution is voted on by the above deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Company's constitution.

The proportional takeover provisions do not apply to full takeover bids and will only apply until 30 October 2022, unless again renewed by shareholders.

Explanatory Memorandum

c) Reasons for proposing the resolution

The Directors consider that Shareholders should have the opportunity to vote on any proportional takeover bid for the Company. Without the proportional takeover provisions being included in the Constitution, a proportional takeover bid for the Company may enable control of the Company to be acquired without Shareholders having the opportunity to sell all of their Shares to the bidder. Shareholders may therefore be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proportional takeover approval provisions lessen these risks because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

d) No knowledge of present acquisitions proposals

As at the date of this notice, no Director of the Company is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

e) Potential advantages and disadvantages for the Directors and shareholders of the Company

The renewal of the proportional takeover provisions will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be approved.

The potential advantages of the proportional takeover provisions for Shareholders are:

- Shareholders have the right to determine by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist Shareholders to avoid being locked in as a minority;
- increase in Shareholder's bargaining power which may assist in ensuring that any proportional takeover bid is adequately priced; and
- knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject an offer under the bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- the likelihood of a proportional takeover bid being successful may be reduced and the provisions may discourage the making of a proportional takeover bids in respect of the Company;
- the provisions may reduce the opportunities which Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price; and
- the provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

However, on balance, the Directors of the Company do not perceive those or any other possible disadvantages as justification for not renewing the proportional takeover provisions for a further three years.

f) Review of advantages and disadvantages of the proportional takeover approval provisions

While proportional takeover provisions have been in effect under the Company's Constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provisions (that is, Clause 12.2 of the Constitution) could be reviewed for the Directors and Shareholders. The Directors are not aware of any potential takeover bid that was discouraged by Clause 12.2.

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 12 for the renewal of the proportional takeover provision in the Company's Constitution.

Explanatory Memorandum

DEFINITIONS

In the Explanatory Memorandum and Notice of Annual General Meeting:

2019 Annual Report means the Company's annual report for the 2018/2019 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.

Employee means a director, full or part time employee, casual employee or contractor of the Group.

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 17, 383 Kent Street, Sydney, NSW, 2000, on 30 October 2019 at 10.00 am (Sydney time).

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

Notice means this Notice of Annual General Meeting.

Option means an unlisted option to subscribe for a Share.

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.

Performance Right means an unlisted right to receive a Share for each Performance Right at no cost.

Plan or **Performance Rights and Share Option Plan** means the employee incentive scheme the subject of Resolution 5 as summarised in Annexure A.

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 36 to 44 of the 2019 Annual Report.

Resolution means a resolution referred to in this Notice.

Right means a Right to receive a Share for each Right at no cost.

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.

Unlisted Option means Incentive Options subject of shareholder approval at Resolutions 6, 7, 8 and 9 of this Notice.

VWAP means volume weighted average market price.

Explanatory Memorandum

ANNEXURE A – KEY TERMS AND CONDITIONS OF THE PLAN

1) Eligibility

The Board may, in its absolute discretion, grant Performance Rights and Options to an “Eligible Employee”. An “Eligible Employee” is a director, full or part time employee, casual employee or contractor of the Group or as determined by the Board from time to time, who is invited by the Board to participate in the Plan.

2) Terms

Any invitation by the Board will be on such terms and conditions as the Board determines including without limitation as to criteria, number of Rights that the relevant Eligible Employee may apply for, when and in what circumstances a Right or Option may become a vested performance right or option and any other criteria to be satisfied, the applicable exercise period, the applicable exercise price and the applicable performance conditions.

3) Rights and Options

- a) A Right or Option entitles its holder to a Share which can be exercised once the Right or Option has become exercisable and provided it has not lapsed.
- b) The Board may determine that certain performance conditions must be satisfied before a Right or Option becomes exercisable. If the performance conditions are satisfied, the Rights or Options vest and may become exercisable.
- d) A Right or Option does not give the holder a legal or beneficial right to Shares. Rights and Options do not carry any rights or entitlements to dividends, return of capital or voting in shareholder meetings.
- f) A Right or Option does not entitle the holder to participate in any new issues of securities unless, before the record date for determining entitlements under the new issue, that Right or Option has vested, been exercised and a Share has been issued in respect of that Right or Option.

4) Exercise of Performance Rights and Options

- a) Rights and Options will vest and become exercisable if:
 - i) any performance conditions set by the Board at the time of the grant are met;
 - ii) an event occurs such as the winding up of the Company; or
 - iii) the Board determines that a Right or Option becomes a vested Right or Option.
- b) Once the Rights or Options become exercisable, the holder will need to exercise those Rights or Options to acquire Shares. The exercise of any vested Right or Option granted under the Plan will be effected in the form and manner determined by the Board.

5) Lapse and Forfeiture

- a) The Rights and Options will lapse on the expiry date. This period may be shortened if the holder ceases to be employed under certain circumstances.
- c) A Share issued on the exercise of a Right or Option will be forfeited or the Board may, in its absolute discretion determine any unvested Rights or Options to have lapsed and/or where any Shares issued on the exercise of a Right or Option have been sold, require the holder to pay all or part of the net proceeds of that sale to the Company, if in the opinion of the Board, the holder acts fraudulently or dishonestly or is in breach of its obligations.

6) Restrictions

- a) Participants in the Plan are prohibited from transferring Rights or Options without the consent of the Board or in the event of death, mental incapacity or bankruptcy.
- b) Rights or Options will not be listed for quotation on the ASX. Shares issued on exercise of vested Rights or Options will be subject to transfer restrictions as determined by the Board at the time of granting the Right or Option.
- c) In the event of any reconstruction of the issued capital of the Company between the date of allocation of the Rights or Options and the exercise of those Rights or Options, the number of Shares to which the holder will become entitled on the exercise of the Right or Option or any amount payable on exercise of the Right or Option will be adjusted as determined by the Board and in accordance with the Listing Rules.

Explanatory Memorandum

ANNEXURE B – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

- (1) The holder of the Unlisted Option ('Optionholder') agrees to be bound by the terms of the Plan and the constitution of Archer Exploration Limited ('Company'), both as amended from time to time.
- (2) Each Unlisted Option will entitle the Optionholder to subscribe for one fully paid ordinary share in the Company ('Share') (subject to possible adjustments under the Plan and paragraphs (12), (13) and (14) below).
- (3) Incentive Options will not vest and cannot be exercised unless all of the Exercise Conditions (if any) shown in the Share Option Key Details attached to the Invitation have been satisfied during the Measurement Period. The Exercise Condition may be waived or varied by the Board in accordance with the terms of the Plan.
- (4) Each Unlisted Option is exercisable from the date of vesting until 5:00 pm (Adelaide time) on the Expiry Date shown on the Unlisted Option Certificate given to the Optionholder by the Company ('Certificate'). Incentive Options not exercised before the Expiry Date will lapse.
- (5) The Exercise Price of each Unlisted Option is shown on the Certificate.
- (6) Incentive Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (7) Some or all of the Incentive Options may be exercised at any one time or times after the Vesting Date and prior to the Expiry Date provided that no less than 100,000 Incentive Options are exercised at any one time.
- (8) Shares issued pursuant to the valid exercise of any of the Incentive Options will rank in all respects on equal terms with the existing Shares in the Company.
- (9) For so long as the Shares of the Company are listed on ASX, the Company will apply for official quotation by ASX of the Shares issued upon exercise of Incentive Options within five business days of the allotment of Shares.
- (10) The Incentive Options will not be quoted on ASX.
- (11) The Optionholder must not Transfer or grant any Security Interest over or otherwise deal or otherwise dispose of a Unlisted Option, other than in accordance with the rules of the Plan.
- (12) If there is a bonus issue to the holders of Shares, then the number of Shares over which the Unlisted Option is exercisable will be adjusted in accordance with the rules of the Plan.
- (13) If the Company makes a rights issue (other than a bonus issue), then the Exercise Price of Incentive Options on issue will be reduced in accordance with the requirements of the ASX Listing Rules.
- (14) If, prior to the Expiry Date the issued capital of the Company is reorganised, then the rights of the Optionholders may be varied to comply with the Plan and the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (15) In the event of a conflict or inconsistency between:
 - (a) the rules of the Plan and these Share Option Terms and Conditions, then the provisions of the Plan will prevail to the extent of the conflict or inconsistency; or
 - (b) the relevant Invitation and the Certificate (including the Unlisted Option Key Details attached to the Certificate), then the terms of the Invitation will prevail to the extent of the conflict or inconsistency.

Capitalised terms defined in the Plan shall have the same meaning when used in these Unlisted Option Terms and Conditions.

Explanatory Memorandum

ANNEXURE C – PROPORTIONAL TAKEOVER PROVISIONS

The following is clause 12.2 of the Constitution:

12.2 Proportional takeover bid

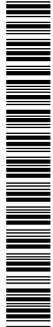
- (1) Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid is prohibited unless and until a resolution (**Approving Resolution**) approving the proportional takeover bid is passed in accordance with this clause 12.2.
- (2) A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class Shares is entitled to:
 - (a) vote on an Approving Resolution; and
 - (b) has one vote for each bid class Share held.
- (3) Where offers have been made under a proportional takeover bid, the Directors must ensure that an Approving Resolution is voted on at a meeting of the persons described in clause 12.2(2) before the Approving Resolution Deadline.
- (4) An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.
- (5) The provisions of this Constitution that apply to a general meeting of the Company apply, with such modifications as the circumstances require, to a meeting that is called under this clause 12.2 as if the meeting was a general meeting of the Company.
- (6) If an Approving Resolution to approve the proportional takeover bid is voted on in accordance with this clause 12.2 before the Approving Resolution Deadline, then the Company must, on or before the Approving Resolution Deadline, give:
 - (a) the bidder; and
 - (b) each relevant financial market,

a written notice stating that an Approving Resolution to approve the proportional takeover bid has been voted on and whether it was passed or rejected.
- (7) If no resolution has been voted on in accordance with this clause as at the end of the day before the Approving Resolution Deadline, a resolution to approve the proportional takeover bid is taken, for the purposes of this clause, to have been passed in accordance with this clause.
- (8) Under the Corporations Act, this clause 12.2 automatically ceases to have effect on that date which is three years after the date of adoption of this Constitution by the Company, unless the Company renews these provisions in accordance with the Corporations Act.
- (9) For the purposes of this clause 12.2, **Approving Resolution Deadline** means the day that is the 14th day before the last day of the bid period.



Archer Exploration Limited

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www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 am (Sydney time) Monday, 28 October 2019.**

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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.



I 9999999999

IND

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 17, 383 Kent Street, Sydney, NSW, 2000 on Wednesday, 30 October 2019 at 10.00 am (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 **Items 1,5,6,7,8 and 9** (except where I/we have indicated a different voting intention below) even though **Items 1,5,6,7,8 and 9** are 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 **Items 1,5,6,7,8 and 9** 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 Alice McCleary as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of prior issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval to issue up to 30,000,000 New Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of Performance Rights Plan and Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval to issue Incentive Options to Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval to issue Incentive Options to Director Gregory English	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval to issue Incentive Options to Director Alice McCleary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
9	Approval to issue Incentive Options to Director Paul Rix	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

10	Approval of 10% additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Renewal of proportional takeover provisions in the Constitution	<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

0 2 2 6 9 5 A



Computershare +