

# ARCHER EXPLORATION LIMITED

ACN 123 993 233

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## NOTICE OF ANNUAL GENERAL MEETING - 2017

### EXPLANATORY MEMORANDUM

### PROXY FORM

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**Date of Meeting:**

Friday, 3 November 2017

**Time of Meeting:**

10.00 am (Adelaide time)

**Place of Meeting:**

Level 1, 28 Greenhill Road  
Wayville, South Australia

# Notice of Annual General Meeting – 2017

## AGENDA

Notice is hereby given that the Annual General Meeting of the shareholders of Archer Exploration Limited will be held at Level 1, 28 Greenhill Road, Wayville South Australia 5034, on Friday, 3 November 2017 at 10.00 am (Adelaide 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.

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## GENERAL BUSINESS

### FINANCIAL STATEMENTS AND REPORT

To receive and consider the Financial Report for the year ended 30 June 2017 and the reports of the Directors and Auditor, as set out in the 2017 Annual Report.

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## ORDINARY BUSINESS

### RESOLUTION 1 - REMUNERATION REPORT

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

*‘That the Remuneration Report for the year ended 30 June 2017, as set out in the 2017 Annual Report, be adopted’*

### RESOLUTION 2 - RE-ELECTION OF ALICE M<sup>C</sup>CLEARY AS A DIRECTOR

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

*‘That Alice M<sup>C</sup>Cleary, 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.’*

### RESOLUTION 3 - APPROVAL TO ISSUE UP TO 30,000,000 NEW SHARES

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

*‘That for the purposes of ASX Listing Rule 7.1, and for all other purposes, shareholders approve the allotment and issue of up to 30,000,000 new Shares to sophisticated and professional investors on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

### RESOLUTION 4 - REFRESH PERFORMANCE RIGHTS PLAN

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

*‘That, the issue from time to time of securities in the Company under the Archer Exploration Limited Performance Rights Plan, be approved for the purpose of ASX Listing Ruler 7.2, exception 9(b)’.*

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## SPECIAL BUSINESS

### RESOLUTION 5 - 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.’*

### RESOLUTION 6 - RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

To consider, and if thought fit, to pass the following resolution as a 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 A of the Explanatory Statement, are renewed for a period of three years commencing on the date of the Meeting pursuant to section 648G of the Corporations Act.’*

# Notice of Annual General Meeting – 2017

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## 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 the member or any Closely Related Party of such a member.

### Resolution 3 (Share Placement Facility) and Resolution 5 (10% Additional Placement Capacity)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolutions 3 and 5 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 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 3 (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 3 (if approved).

### Resolution 4 (Refresh Performance Rights Plan)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this resolution 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.

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### Notes

- The Board has determined under regulation 7.11.37 Corporations Regulations, that only registered holders of Shares as at 7:00pm (Sydney time) on 1 November 2017 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 (Adelaide time) on 1 November 2017** by:

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

20 September 2017

# 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 **10:00am on Friday, 3 November 2017** at Level 1, 28 Greenhill Road, Wayville South Australia 5034.

This Explanatory Memorandum is a brief explanation of Resolutions 1 to 6 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.

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## 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 2017 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.

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## RESOLUTION 1 - REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report contained in the Directors' Report set out in the 2017 Annual Report and is also available on the Company's website at [www.archerexploration.com.au](http://www.archerexploration.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 2016 AGM, the Company's remuneration report for the year ended 30 June 2016 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.

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

## Explanatory Memorandum

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### RESOLUTION 2 - RE-ELECTION OF ALICE M<sup>C</sup>CLEARY 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, Ms Alice M<sup>C</sup>Cleary will retire by rotation and offers herself for re-election.

The qualifications and experience of Alice M<sup>C</sup>Cleary are set out below.

Alice M<sup>C</sup>Cleary has been a Non-Executive Director of the Company since 16 February 2007 and is Chairman of the Company's Audit & Risk Management Committee. Alice is a Chartered Accountant and is Chairman of UraniumSA Limited (ASX listed). She is a member of the South Australian Government's Minerals and Energy Advisory Council, and a councillor of the South Australian Chamber of Mines and Energy (SACOME). Alice is a former Director of Adelaide Community Healthcare Alliance Inc (ACHA), Benefund Ltd and Forestry Corporation of South Australia, and a former member of the Corporations and Markets Advisory Committee (CAMAC).

Previous leadership roles include Vice-President of 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 Alice to be an independent director.

#### Board Recommendation

The Directors (with Alice M<sup>C</sup>Cleary abstaining) recommend that shareholders vote **IN FAVOUR** of Resolution 2 for the re-election of Alice M<sup>C</sup>Cleary as a Director.

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

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### RESOLUTION 3 - APPROVAL TO ISSUE UP TO 30,000,000 NEW SHARES

#### Background to Resolution 3

The Board seeks Shareholder approval for a Share placement facility to allow for the issue of up to 30,000,000 new Shares. 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 Requirements

The Company seeks to have the flexibility to issue Shares to allow this number of Shares not to be included in the calculation under Listing Rule 7.1. This will enable the Company to have the flexibility to new Shares during the 3 months after the Meeting without the requirement to obtain prior Shareholder approval.

#### 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:

- a) The maximum number of securities to be issued is 30,000,000 Shares.
- b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- c) The Shares will be issued at a price that is at least 80% of the average market price of Shares calculated over the last 5 days 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, over the 5 days on which sales of Shares are recorded before the date of the prospectus.
- d) The names of the proposed allottees are not known and the quantity of the Shares to be issued to each allottee is not known. The Company intends (but without limitation) to issue the Shares to institutional, sophisticated and professional investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act. The Shares will not be issued to Directors or other related parties.
- e) The Shares issued will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.

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- f) The Company intends to use the funds raised from the issue of the Shares to fund exploration of Blue Hills and the North Broken Hill projects, development of the graphite and magnesite projects and for general working capital which may also be applied towards the Company's other exploration projects.
- g) It is intended that the Shares will be allotted on several dates during the 3 month period specified in paragraph (b) above.

### Effect of Shareholder approval of Resolution 3

If Shareholders approve the Resolution 3, then the Company will have the flexibility to issue up to 30 million new Shares during the 3 month period after the date of the Meeting if an opportunity arises which the Board believes is in the best interests of the Company. For the purpose of Listing Rule 7.1, the issue of these Shares would not make up part of the 15% limit and would enable that proportion of the 15% limit to be used for a future issue of Equity Securities.

### If Resolution 3 is not approved

If Shareholders do not approve Resolution 3, 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 Directors recommend that Shareholders vote **IN FAVOUR** of Resolution 3 for the granting of authority to issue up to 30 million additional Shares, as outlined above.

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.

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## RESOLUTION 4 – REFRESH PERFORMANCE RIGHTS PLAN

### Background to Resolution 4

The Company has established a plan called the Performance Rights Plan (**Plan**) as part of the overall remuneration strategy of the Company. The Plan provides for the issue of performance rights (**Rights**) to employees of the Company or an associated body available on the Company's website [www.archerexploration.com.au](http://www.archerexploration.com.au).

The Plan and the Rights are designed to assist the Company to attract and retain key employees of the Company and provide them with an incentive to maximise the return to Shareholders over the long term.

The Plan was adopted by shareholders following approval at the Annual General Meeting on 5 November 2014.

### Reason for Shareholder approval

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under that plan as an exception to ASX Listing Rule 7.1.

Therefore, approval under ASX Listing Rule 7.2 (Exception 9) expired on 5 November 2017 and the Company seeks Shareholder approval to refresh the Plan.

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

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

- (a) A summary of the material terms of the Plan is set out in Annexure B.
- (b) 2,700,000 Rights have been issued under the Plan since the Plan was last approved on 5 November 2014. None of these Rights vested and 1,200,000 of these Rights have been forfeited as at the date of this Notice.
- (c) A voting exclusion statement has been included in the Notice of Meeting for the purposes of this Resolution 4.

# Explanatory Memorandum

## Board Recommendation

As the Directors have an interest in the outcome of Resolution 4, the Directors make no voting recommendation to Shareholders as to how to vote in relation to Resolution 4.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

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## RESOLUTION 5 - APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

This Resolution 5 is a Special Resolution.

### Background to Resolution 5

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 of Annual General Meeting 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 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;
- 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 137,194,306 Shares and therefore has capacity to issue:

- 1) 20,579,146 Equity Securities under Listing Rule 7.1 and
- 2) 13,719,430 Equity Securities under Listing Rule 7.1A (subject to approval of this Resolution 5).

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 7.1A.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:



## Explanatory Memorandum

- 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%.

Variable 'A' in Listing rule 7.1A.2		Dilution		
		\$0.0225 (50% decrease)	\$0.045 (Issue Price)	\$0.090 (100% increase)
<b>Current Variable A</b> 137,194,306 Shares	10% voting dilution	13,719,430 Shares	13,719,430 Shares	13,719,430 Shares
	Funds raised	\$308,687	\$617,374	\$1,234,748
<b>50% increase in current Variable A</b> 205,791,459 Shares	10% voting dilution	20,579,145 Shares	20,579,145 Shares	20,579,145 Shares
	Funds raised	\$463,030	\$926,061	\$1,852,123
<b>100% increase in current Variable A</b> 274,388,612 Shares	10% voting dilution	27,438,861 Shares	27,438,861 Shares	27,438,861 Shares
	Funds raised	\$617,374	\$1,234,748	\$2,469,497

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 \$0.045, being the closing price of the Shares on ASX on 11 September 2017.

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### 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 2016 AGM on 28 October 2016. 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 27,000,000 and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 24.5%;
- 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:

Date of Issue	Number and Class of Equity Securities and Summary of key terms	Details of recipients	Issue Price and discount	Consideration
9 Mar 2017	27,000,000 Shares Shares issued on the same terms and conditions as existing Shares. Funds raised are being directed toward the drilling of the Ketchowla Cobalt Project and accelerating the exploration work program on the Company's other cobalt and copper projects, and to provide the Company with working capital to enable it to support its current operations.	Sophisticated and professional investors	\$0.07 per share (approx. 12.5% discount to closing price on 9 March 2017 )	\$1,890,000 (before costs)

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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 5.

A voting exclusion statement for this Resolution 5 is set out in the Notice.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 5.

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## RESOLUTION 6 - RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

This Resolution 6 is a Special Resolution.

### a) Background to Resolution 6

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 5 November 2014.

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 5 November 2020, unless again renewed by shareholders.

### 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.

## Explanatory Memorandum

### **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 Directors recommend that Shareholders vote in favour of Resolution 6 for the renewal of the proportional takeover provision in the Company's Constitution.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 6.

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# Explanatory Memorandum

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## DEFINITIONS

In the Explanatory Memorandum and Notice of Annual General Meeting:

**2017 Annual Report** means the Company's annual report for the 2016/2017 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 1, 28 Greenhill Road, Wayville South Australia 5034, on 3 November 2017 at 10.00 am (Adelaide 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.

**Remuneration Report** means the report of the same name on pages 24 to 30 of the 2017 Annual Report.

**Resolution** means a resolution referred to in this Notice.

**Right** means a Right to receive a fully paid ordinary share in the Company 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.

**VWAP** means volume weighted average market price.

# Explanatory Memorandum

## Annexure A - 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.

# Explanatory Memorandum

## Annexure B - Key terms and conditions of the plan

### 1) Eligibility

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

### 2) Terms

- a) 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 may become a vested performance right and any other criteria to be satisfied, the applicable exercise period, the applicable exercise price and the applicable performance conditions.

### 3) Rights

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

### 4) Exercise of Performance Rights

- a) Rights will vest and become exercisable if:
  - i) the 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 becomes a vested Right.
- b) Once the Rights become exercisable, the holder will need to exercise those rights to acquire Shares.
- c) The exercise of any vested Right granted under the Plan will be effected in the form and manner determined by the Board.

### 5) Lapse and Forfeiture

- a) The Rights will lapse on its expiry date.
- b) 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 will be forfeited or the Board may, in its absolute discretion determine any unvested Rights to have lapsed and/or where any Shares issued on the exercise of a Right 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 without the consent of the Board or in the event of death, mental incapacity or bankruptcy.
- b) Rights will not be listed for quotation on the ASX. Shares issued on exercise of vested Rights will be subject to transfer restrictions as determined by the Board at the time of granting the Right.
- c) In the event of any reconstruction of the issued capital of the Company between the date of allocation of the Rights and the exercise of those rights, the number of Shares to which the holder will become entitled on the exercise of the Right or any amount payable on exercise of the Right will be adjusted as determined by the Board and in accordance with the Listing Rules.







# Archer Exploration Limited

ABN: 64 123 993 233

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

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

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555



For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

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

## Proxy Form

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 <b>Vote and view the annual report online</b> <ul style="list-style-type: none"><li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li><li>• Follow the instructions on the secure website to vote.</li></ul>	
<b>Your access information that you will need to vote:</b> <b>Control Number: 9999999</b> <b>SRN/HIN: I9999999999 PIN: 99999</b> PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.	

 **For your vote to be effective it must be received by 10:00am (Adelaide time) on Wednesday 1 November 2017**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1

### Appoint a Proxy to Vote on Your Behalf

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 1, 28 Greenhill Road, Wayville, South Australia** on **Friday 3 November 2017 at 10:00am (Adelaide time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1 & 4** (except where I/we have indicated a different voting intention below) even though **Items 1 & 4** 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 & 4** 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 Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Issue up to 30,000,000 New Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Refresh Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### SPECIAL BUSINESS

5 Approval of 10% Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 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

/ /