

The logo for Archer Exploration Limited, featuring the word "ARCHER" in white, uppercase, sans-serif font on a dark teal rectangular background. To the right of the text is a stylized orange and yellow oval shape with a horizontal line through it, resembling a planet or a lens.

ARCHER

ARCHER EXPLORATION LIMITED

August 2014

Greg English

Chairman Archer Exploration Limited

Gerard Anderson

Managing Director Archer Exploration Limited



Archer's strategy is to discover, add value and monetise

- 1** Track record of identifying resource projects and creating value
- 2** Portfolio of high quality assets
- 3** Australia's largest graphite resource with further growth potential
- 4** Low sovereign risk and access to infrastructure
- 5** Well funded

Experienced board and management, well funded and tight capital structure

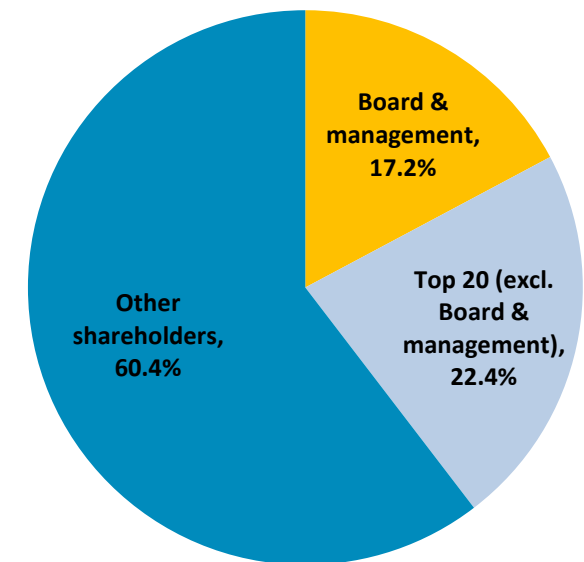
Capital structure

Shares on issue	84.3m
Performance Rights (exp. 31/7/16)	2.32m
Share price (8 Aug 2014)	\$0.20
Market capitalisation	\$16.8m
Cash (as at 30/6/14)	\$5.6m
Enterprise value	\$11.2m

Board & management

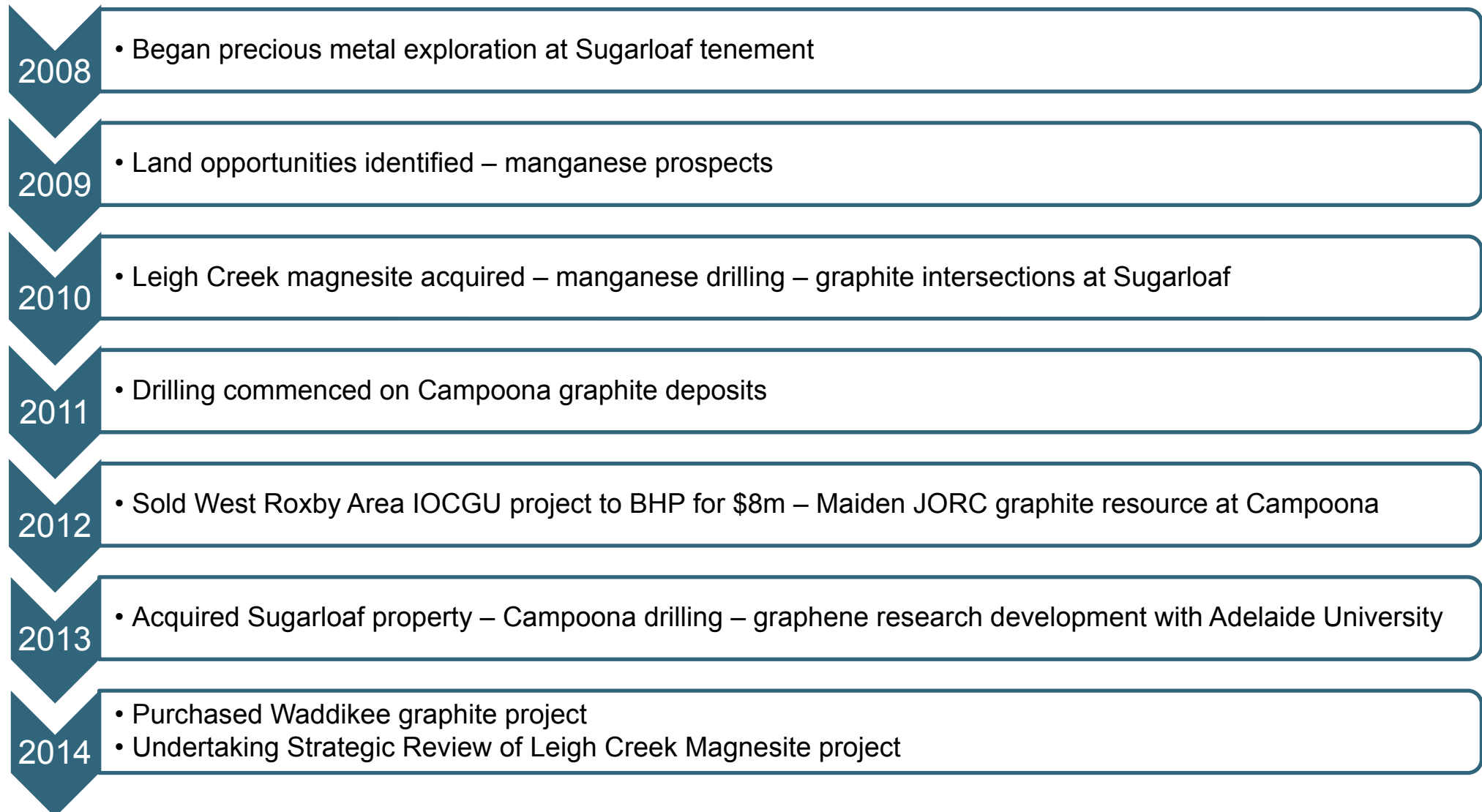
Chairman	Greg English
Managing Director	Gerard Anderson
Non-Executive Director	Tom Phillips AM
Non-Executive Director	Alice McCleary
Company Secretary	Damien Connor

Share ownership summary

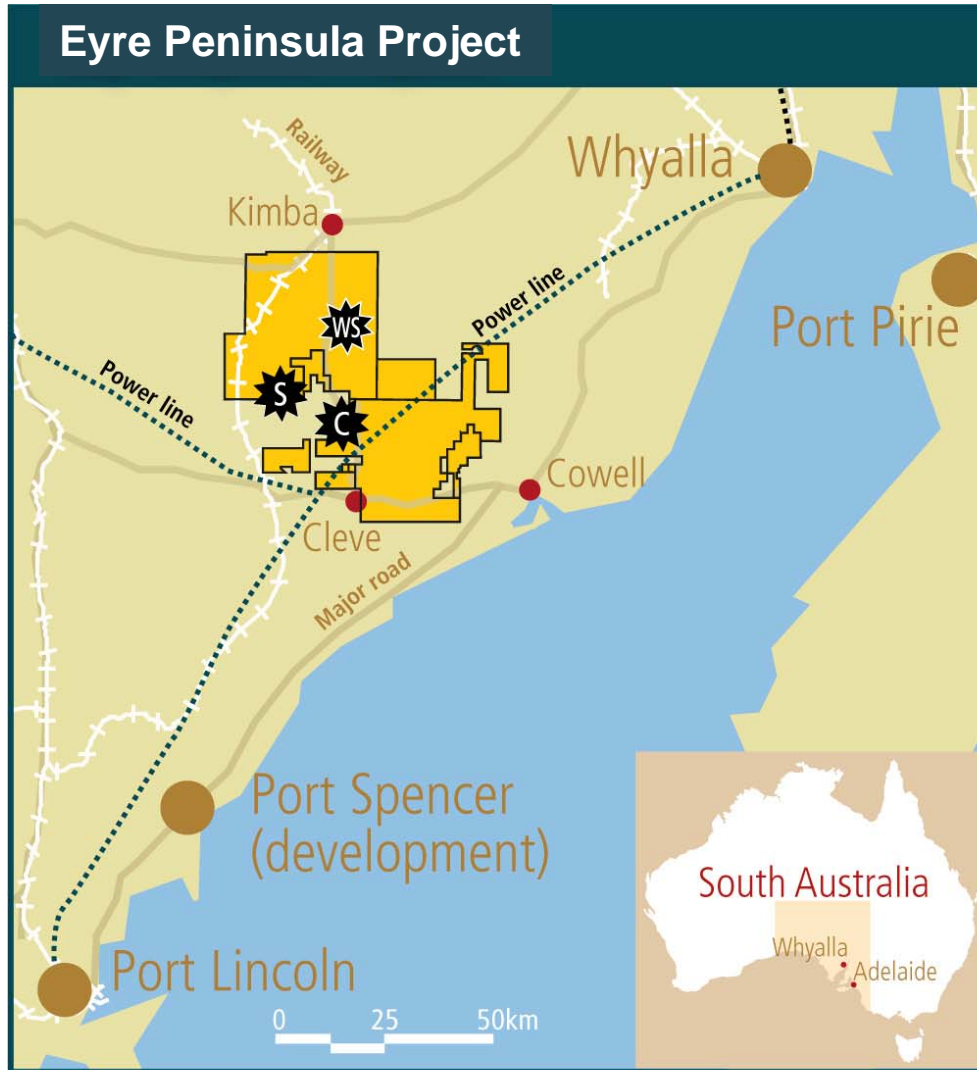


Archer is in a strong financial position to advance Australia's largest Graphite Project while maintaining a tight capital structure

Track record of identifying projects and creating value

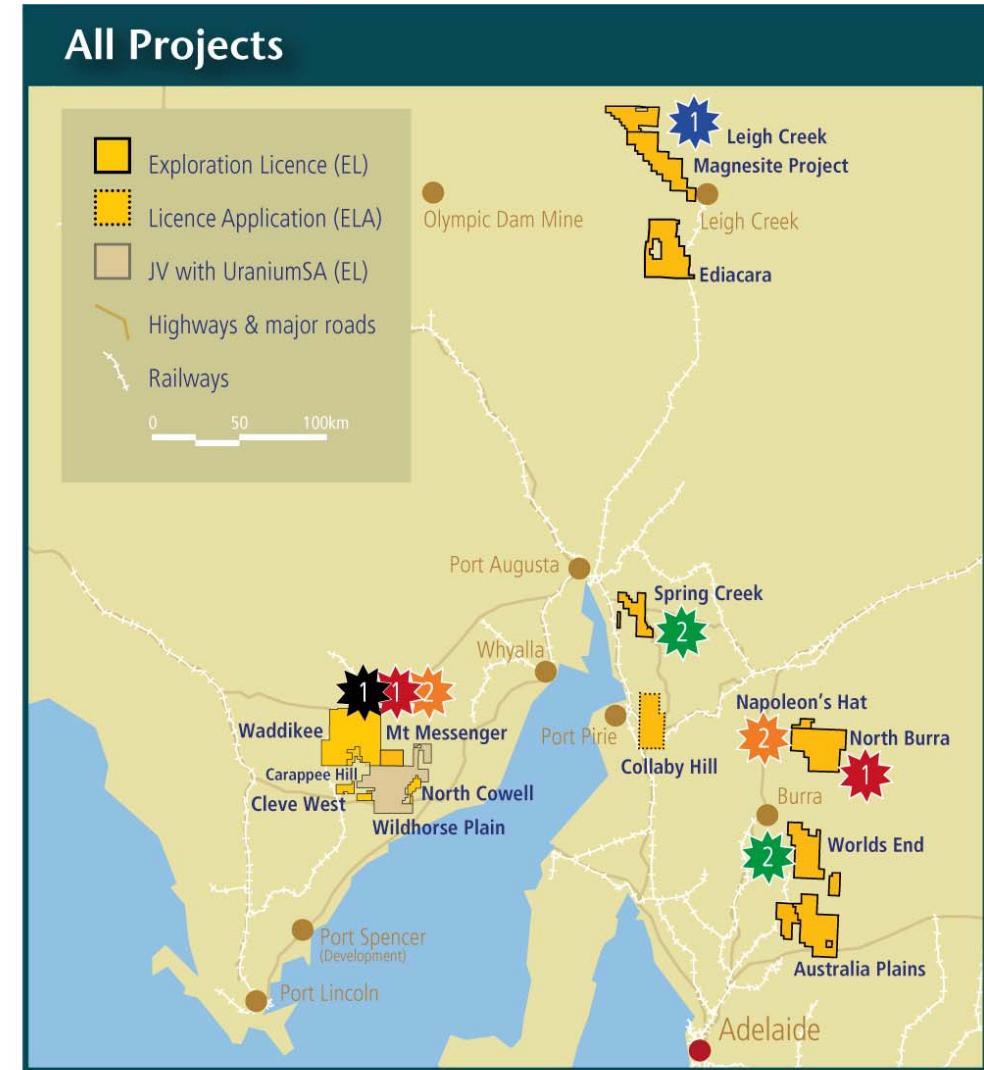


A diverse portfolio of high quality assets



Advanced Graphite Projects

- Campoona
- Sugarloaf
- Wilclo South



Priority 1 and 2 targets:

- Graphite
- Magnesite
- Manganese
- Copper
- Gold
- 5

Macro environment: a growing market with a bright future

- Chinese supply (~70% of market) is declining due to mine closures, increasing costs and environmental challenges
- Emerging production capacity especially in Africa & Australia
- Graphite identified as a critical industrial mineral by USA & UK
- Target markets include:
 - Batteries – dry cell, alkaline and lithium-ion
 - Recarburisation of steel
 - Brake pads
 - Carbon brushes
 - Lubricants and greases



Archer Exploration market engagement

- High purity graphite concentrates to be provided to specific market segments for assessment
- Market interest from Asia and North America
- Seeking to negotiate pre-sale and offtake agreements with prospective buyers
- Research agreement entered with Adelaide University to focus on new product opportunities for Archer graphite and graphene products

Archer scores on 4 of the 6 key factors used to evaluate graphite companies



Deposit size and quality

Australia's largest JORC 2012 Resource 8.55Mt @ 9.0 Cg% (5% Cg lower cut-off grade)



Location

All assets located in South Australia with access to power, water, roads and ports. Archer owns the land needed for initial mining and long-term mineral processing.



Flake size distribution

Waddikee added large flake graphite and now have a range of flake sizes contained within the Eyre Peninsula Project. Further work to prove the distribution and mining priorities.



Product purity

Bulk flotation tests provided concentrates grading 92 – 98% TGC
Acid cleaning upgrades concentrates to 98 - 99.7% TGC



Product off take

Product testing underway by prospective buyers/JV partners. Off-take agreements to be secured prior to commencement of production.

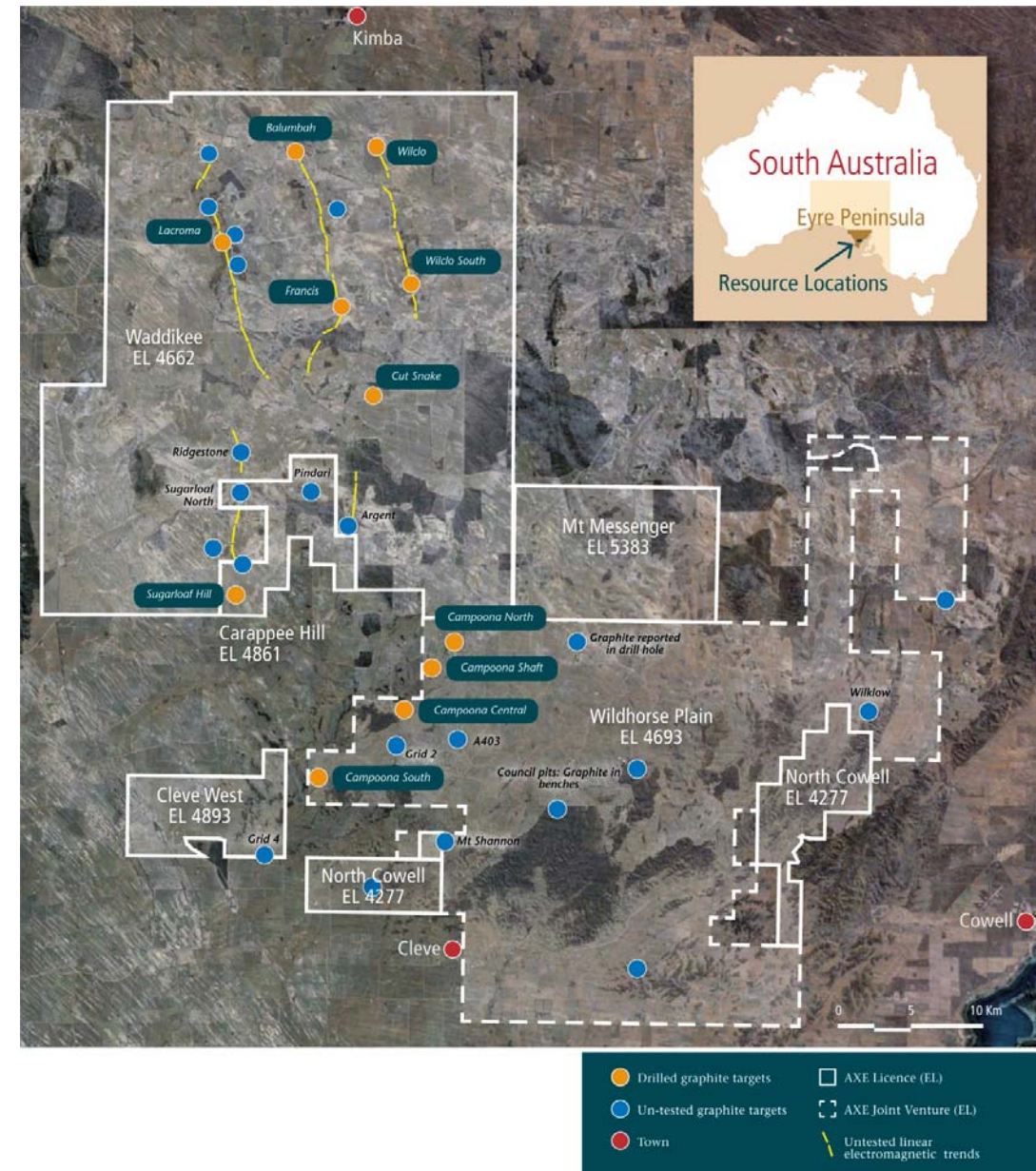


Timeframe to production

Campoona MLP expected to be lodged Q4. Approval expected by mid 2015. Process flow sheet to be modified to accommodate flake graphite production

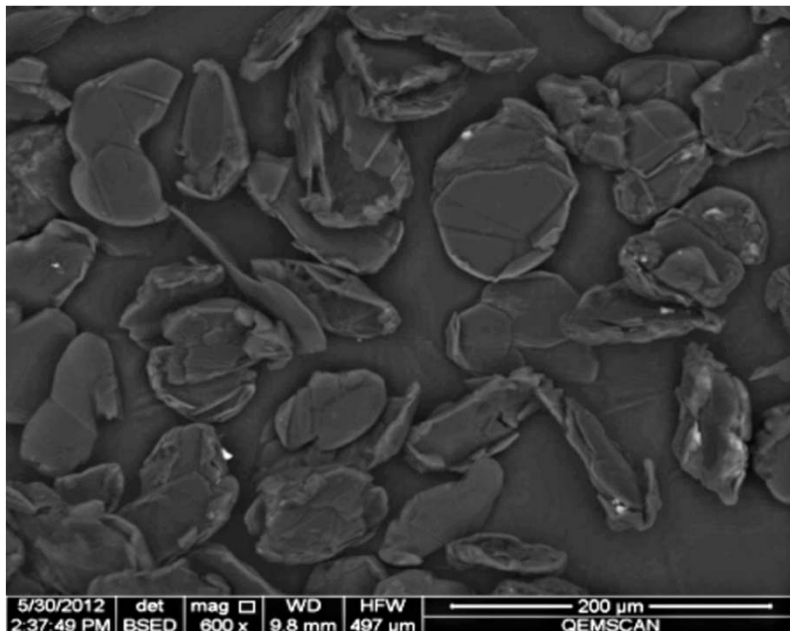
Significant graphite tenements

- Substantial tenement position ($\approx 2,100\text{km}^2$) in graphite province
 - recently extended with the purchase of the Waddikee tenement
- Key projects include Campoona Shaft, Central Campoona, and Wilclo South
- There are an additional 10 graphite prospects with large exploration upside
 - current contained resource likely to grow appreciably with further drilling
 - high quality EM has identified numerous distinct linear conductors



Campoona: high grade, fine flake graphite

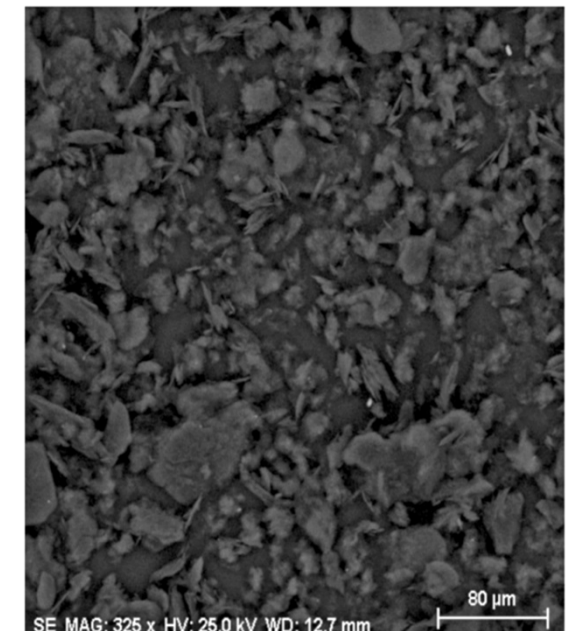
- High quality fine flake graphite concentrates on both Campoona Shaft and Central Campoona
- Bulk flotation tests provided concentrates grading 92 – 98% Cg
 - acid cleaning upgrades concentrates >98% Cg – 99.7% Cg
- Excellent recoveries for all geologic horizons
- Robust results provide confidence for Archer to enter the higher value end of the graphite market
- Campoona Shaft is on freehold pastoral land and has a binding agreement over sufficient land at Campoona Shaft for mining to proceed



Typical Campoona concentrate prior to re-cleaning



Bulk flotation concentrates



Bulk flotation re-cleaner concentrates + tail under SEM

Waddikee: acquisition adds large flake graphite and increases graphite resources

- Recently completed acquisition of neighbouring EL4662 from Monax Mining Limited
- JORC 2012 Indicated Resource at Wilclo South of 6.4Mt grading 8.8% Cg (561,400t of contained graphite at 5% cut off)
- Flake graphite mostly exceeding 200µm with some flake exceeding 500µm
 - marketable (>90%Cg) large, medium and fine flake recovered at Wilclo South and Francis providing product optionality



Hole WG044, 73-74m

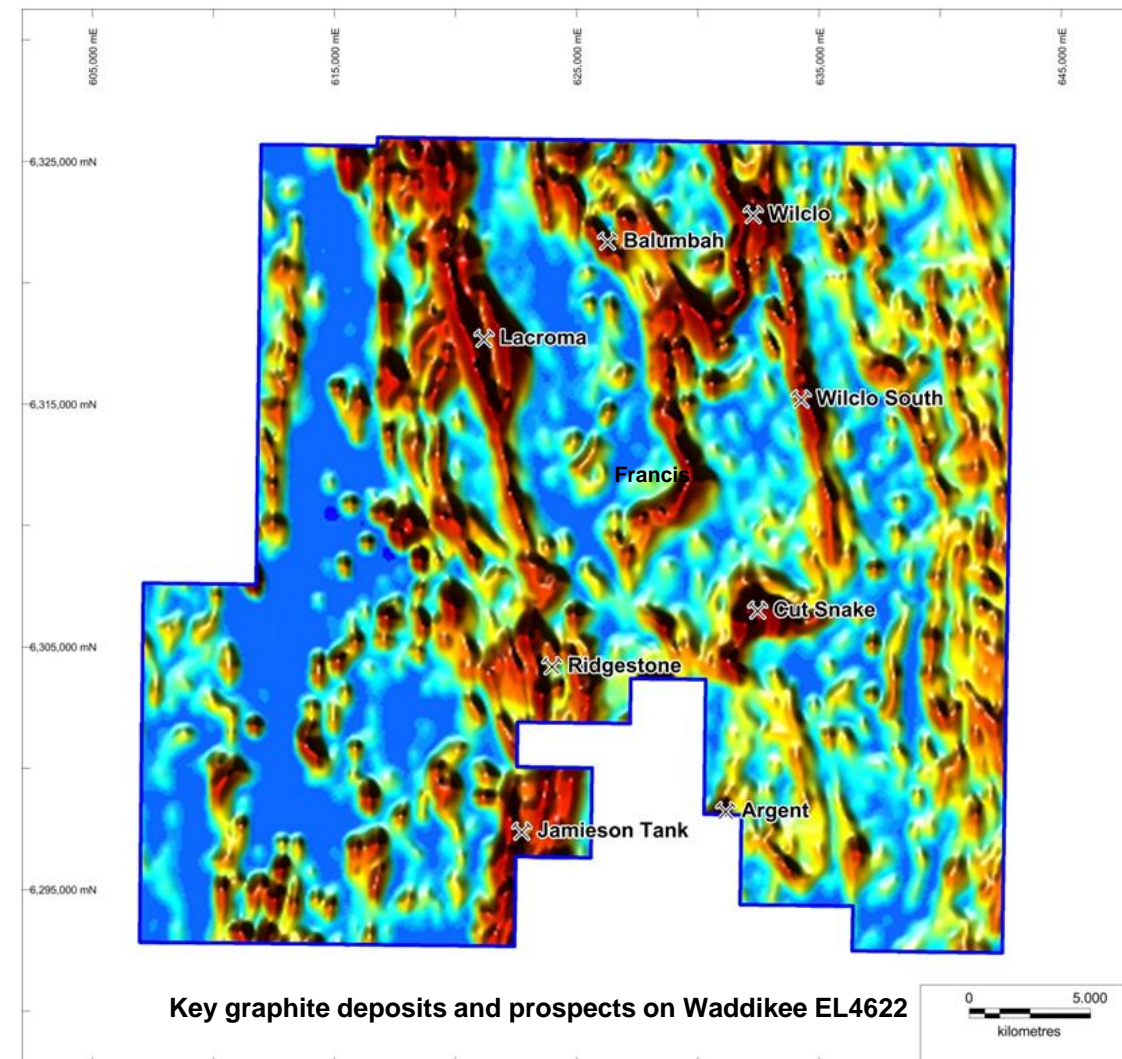


Flake aggregates from RC drill hole WG041 (98-99m).

Waddikee: expanding the potential of world class graphite asset

- Significant potential exists for further resource growth.
- High quality magnetic and electromagnetic database outlines \approx 20kms of distinct linear conductive bodies that remain to be fully drill tested.
 - 7 known graphite prospects all coincident with EM conductors
 - the Francis prospect is very high grade with drill intercepts of $>20\%$ C
- Sugarloaf Exploration Target
 - of 24 – 37Mt* of fine graphite @ 10-12% total carbon

**The potential quantities and grades presented are conceptual in nature, there has been insufficient exploration to define an overall Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource*

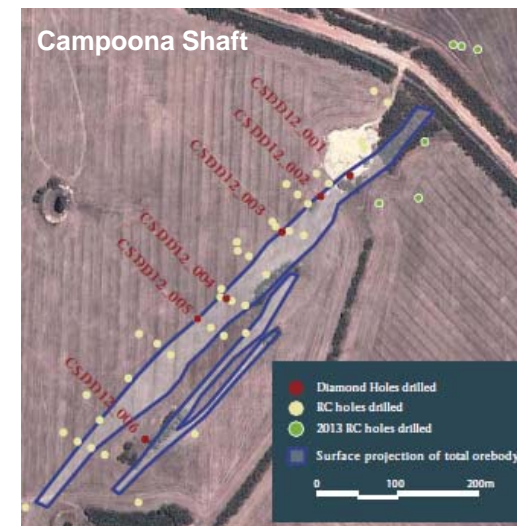


Australia's largest combined JORC 2012 graphite resource

8.55Mt @ 9.0 Cg% (lower cut-off grade of 5% Cg)*

Area	Resource Category	Tonnes (Mt)	Graphite (% Cg)	Contained Graphite (tonnes)
Campoona Shaft	Measured	0.32	12.7	40,600
	Indicated	0.78	8.2	64,000
	Inferred	0.55	8.5	46,800
Central Campoona	Indicated	0.22	12.3	27,100
	Inferred	0.30	10.3	30,900
Wilclo South	Inferred	6.38	8.8	561,400
Combined	Total	8.55	9.0	770,800

* This information was prepared and first disclosed under the JORC Code 2012 (Archer Exploration Limited, ASX Announcement)

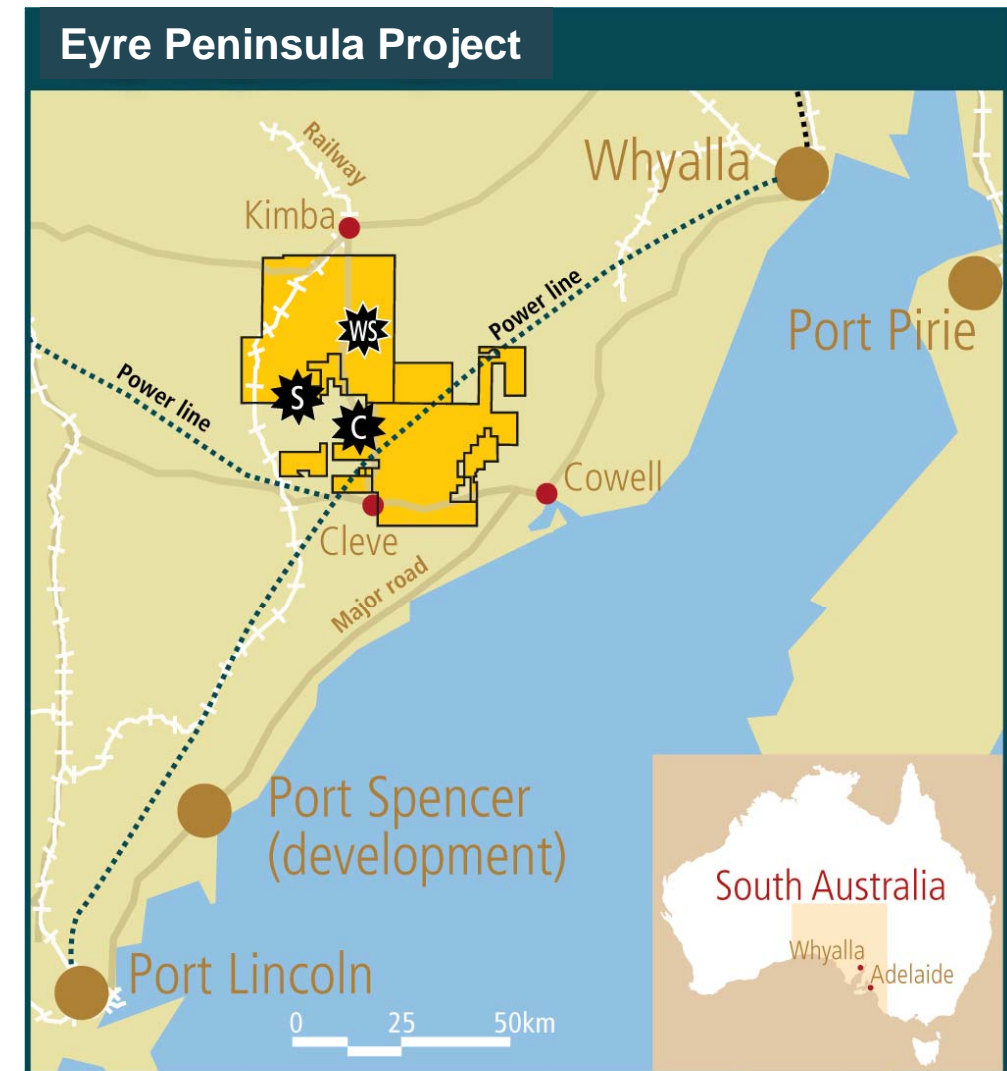


Diamond drill cores from CSDD12_002

Access to critical infrastructure

- Major power lines within reach
- Various port options
- Good road network
- Company owns land at Sugarloaf and Campoona Shaft, and has a binding HoA over the freehold land needed to commence operations
- High yielding aquifer near processing site
- Potable water allocation
- Accommodation and services all in the area
- Predominantly free-dig, open cut mining with low overall strip ratio
- South Australia one of the world's most stable AAA mining jurisdictions

Mining Lease Proposal 70% completed with submission planned for Q4 calendar 2014



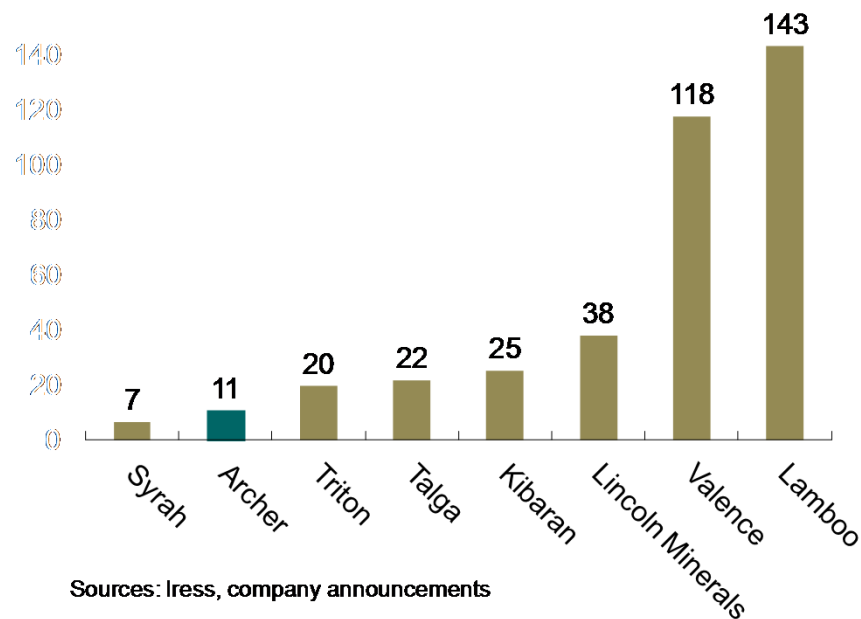
Advanced Graphite Projects

- ★ Campoona ★ Sugarloaf ★ Wilclo South

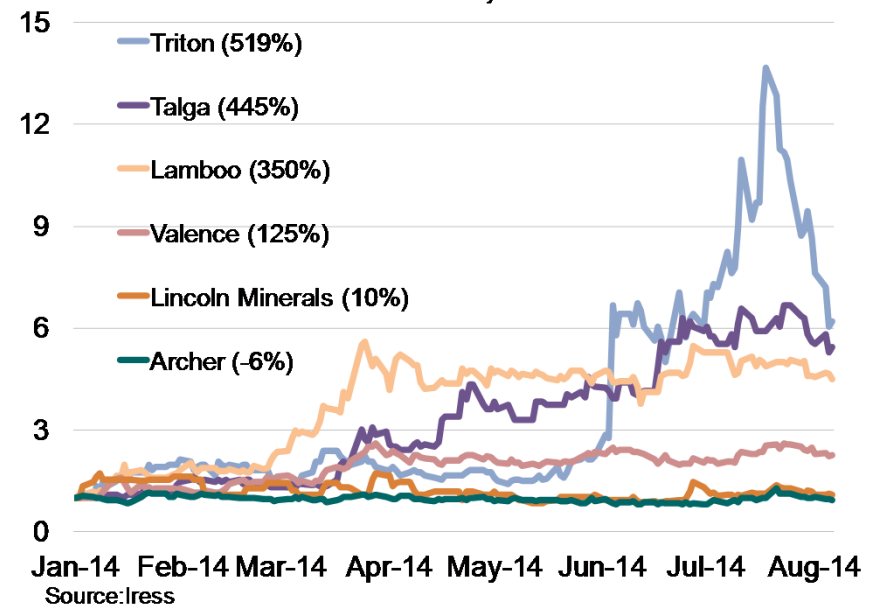
Peer comparison

- JORC 2012 Resource of 8.55Mt @ 9.0 Cg% (5% GC lower cut-off grade) with significant exploration upside
- Flake and high purity fine graphite
- Deep oxidation \approx 100m provides high degree of natural liberation of graphite from gangue
- Largely free-dig mining
- Archer has one of the lowest EV/resource ratios with further exploration likely to significantly increase contained graphite

Enterprise value per tonne of contained graphite ratio



Share price growth
start January =1



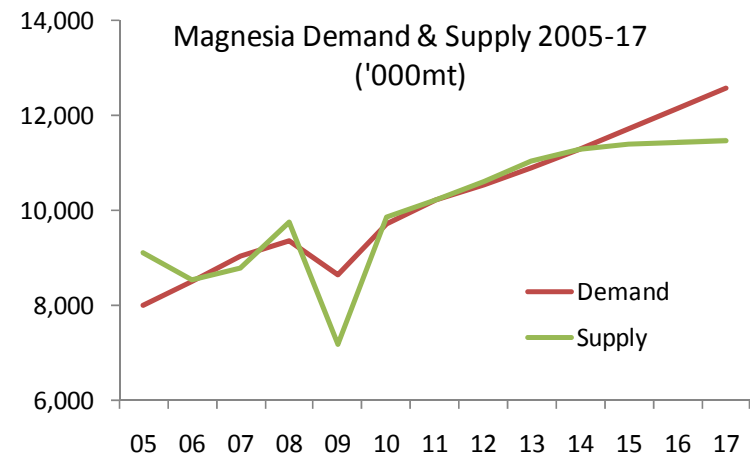
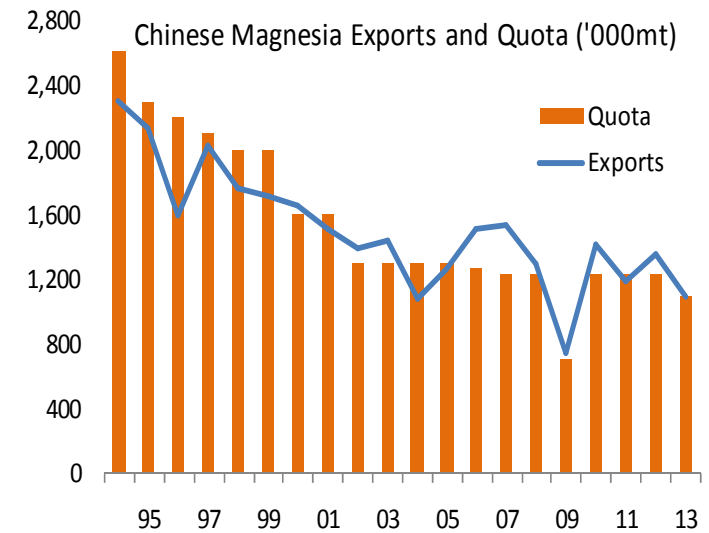
Progressing Campoona Mining Lease Proposal for submission in Q4 2014

Task	Work undertaken to date	Work in progress
Ecology	Spring & Winter baseline surveys Impact assessment	✓ Completed ✓ Completed
Air quality	Project reviewed & GAP analysis	✓ Modelling being finalised
Hydrogeology	Desktop study completed	✓ Completed
Geochemistry	Draft report completed	✓ AMD testing underway
Socio-Economic & Community Consultation	Stakeholder engagement plan Community newsletters Bi-Monthly CCC meetings	✓ 5 x bi-monthly newsletters ✓ 5 x CCC Meetings completed ✓ Community open days planned
Surface Water	Desktop study	✓ Completed
Visual Amenity	Fieldwork completed	✓ In progress
Tailings Management	Tailings workshop Tailings Option Assessment	✓ Tailings Option Assessment ✓ Characterisation in progress
Mine Closure Plan	Information review & gap analysis	✓ Mine plan outstanding
MLP & PEPR	Kick-off meeting Table of Contents	✓ Awaiting final mine plan and tailings review
Regulator Liaison	Meetings with government stakeholders undertaken	✓ Regular meetings
Permitting Review	Draft Permit Register completed in February 2014	✓ Completed
Cultural Heritage	Desktop cultural heritage study	✓ Completed
Noise	Review of various project documents and gap analysis	✓ Desktop modelling and reporting in progress
Traffic	Desktop traffic study	✓ Completed



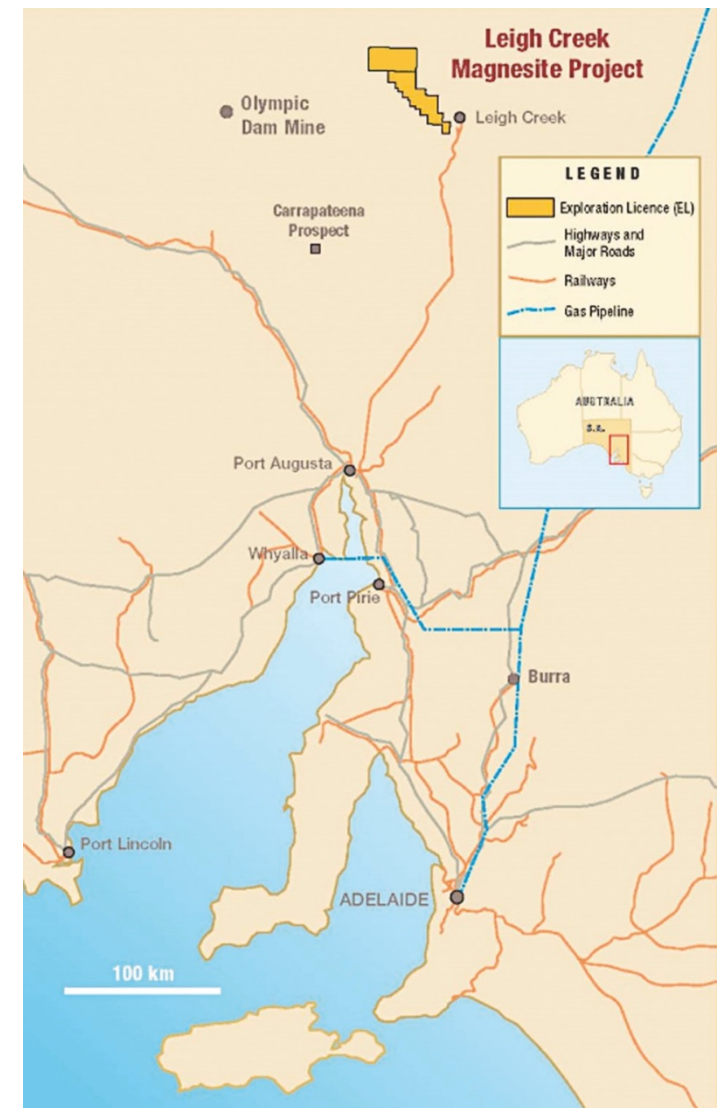
Macro environment: market demand expected to exceed supply

- Magnesia demand is expected to exceed supply by 1.22Mtpa by 2017 – more than 10% of global magnesia production
- Calcined magnesia (CCM) demand is expected to exceed supply by 0.26Mtpa mainly in high value metal precipitation markets
- Supply will be constrained by Chinese Government policy and scarce availability of cryptocrystalline magnesite deposits
- Real prices are expected to continue growing out to 2017 and to be more pronounced in the high value end of the market.



Archer Exploration owns the world's largest cryptocrystalline magnesite deposit

- 100% interest in Leigh Creek deposit – world's largest cryptocrystalline magnesite deposit
 - JORC Resource of 453Mt grading 41.4% MgO – an almost inexhaustible supply source (almost 50% of the world's known cryptocrystalline magnesite resources)
 - cryptocrystalline magnesite's superior qualities produce higher value magnesia products than macrocrystalline magnesite
- Strategic review commenced in August 2014
- Close proximity to world class infrastructure
 - 20 kms from a privately owned standard gauge rail line that operates between Leigh Creek and Port Augusta which connects to Port Pirie
 - Port Pirie has access to national rail and road infrastructure, bulk shipping facilities, gas, power and skilled labour
 - Port Pirie is the preferred magnesia processing location, 220km north of Adelaide which has an established container terminal
- Completed transactions in this space have achieved AUD\$0.50/t resource¹
 - this would attach significant value to the Leigh Creek asset



1. Based on Calix Limited's purchase of neighbouring Myrtle Springs mine

Broad range of high quality copper and gold exploration prospects in SA

Gold

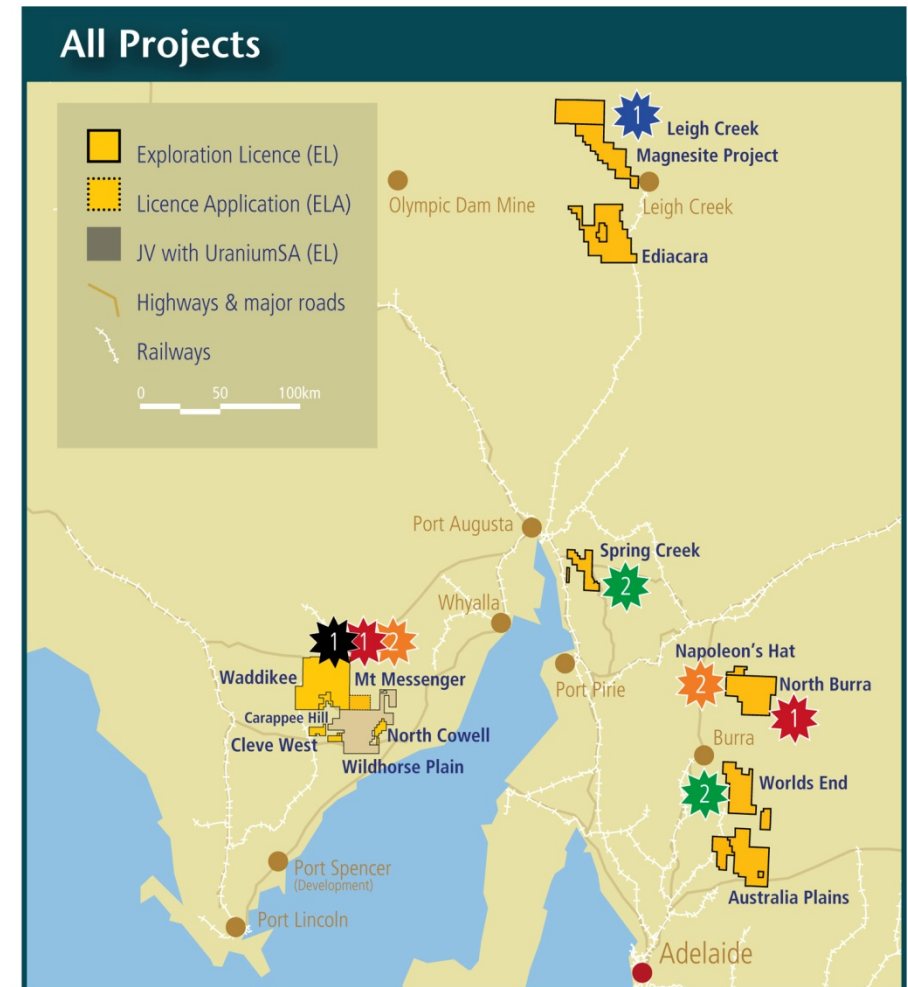
- Wildhorse Plain – several km epithermal gold anomaly at Bartel
 - early exploration with best intercept of 29m @ 0.57g/t Au
- Napoleon's Hat & Watervale – early stage targets

Copper

- North Cowell – covering historic Morrowie workings
- Spring Creek – historic mine with full supergene copper suite.
- World's End – including Robertstown & Mimic

Manganese

- 100% interest in 7 manganese deposits and prospects
- 3 advanced prospects (Jamieson Tank, Ketchowla and Salt Creek) have grades ranging from 15%-20% Mn
- Beneficiation tests on both Jamieson Tank and Ketchowla K1 ore indicates saleable manganese grading ~40% Mn
 - Jamieson Tank recoveries ≈ 80%
- Potential divestment or JV opportunities

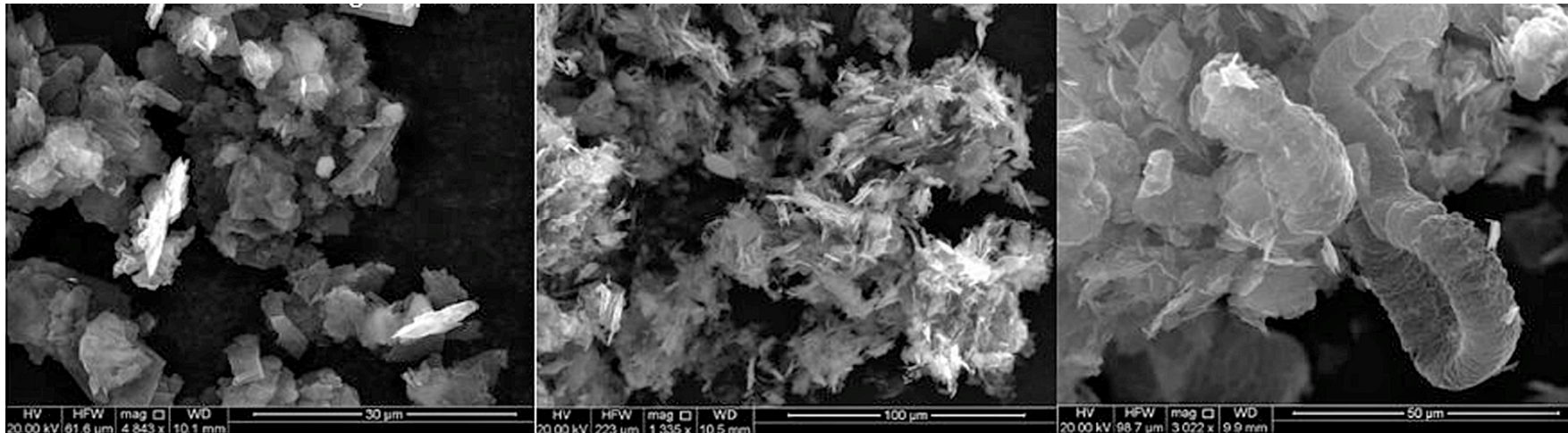


Priority 1 and 2 targets:

✱ Graphite
 ✱ Magnesite
 ✱ Manganese
 ✱ Copper
 ✱ Gold

Progress graphite prospects and unlock magnesite potential

- Market engagement commenced for Campoona graphite for off-take and/or JV partners
- Flake graphite recovery tests
- Complete Concept/Scoping Study
- Drill out of graphite deposits and prospects to increase resources
- Near-term monetisation of non-core projects
- Progress research into specific graphite/graphene agricultural and environmental remediation products with a view to commercialisation
- Project acquisition



Archer graphite concentrates

Chemically intercalated graphite

Thermally intercalated graphite

- 1 Track record of identifying resource projects and creating value**
- 2 Portfolio of high quality assets**
- 3 Australia's largest graphite resource with growth potential**
- 4 Low sovereign risk and access to infrastructure**
- 5 Well funded**

Contact details

Archer Exploration Limited

Gerard Anderson Managing Director

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Email: ganderson@archerexploration.com.au

Competent persons statement

The exploration results and Exploration Target reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Wade Bollenhagen, Exploration Manager of Archer Exploration Limited. Mr Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than eighteen years experience in the field of activity being reported. Mr Bollenhagen has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' relating to the reporting of Exploration Results. Mr Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource estimation has been prepared by Mr B Godsmark who is a Member of the AusIMM and peer reviewed by Mr G Reed who is also a Member of the AusIMM (CP). Mr Godsmark is a full time employee of Mining Plus Pty Ltd and Mr Reed is a sub-contractor to Mining Plus Pty Ltd., both have more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Godsmark and Mr Reed have consented in writing to the inclusion in this announcement of the Mineral Resource estimation information in the form and context in which it appears.

Forward looking statements

The information in this presentation is published to inform you about Archer Exploration Limited and its activities. Some statements in this presentation regarding estimates or future events are forward looking statements.

Although Archer Exploration Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results and outcomes will be consistent with these forward-looking statements.

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ARCHEr

APPENDIX



Progressing the development of a potential new high purity graphite and graphene supply source

Resource & Mining

- Define Resource
- Mining
 - Open cut mining
 - Predominately free dig
 - Low overall strip ratio
- Mining Lease Proposal to be submitted Q4 2014



Campoona diamond drill hole CSDD12_003 sump showing graphite mineralisation.

Processing & Testing

- Conduct metallurgical test work
- Processing
 - Crushing and grinding
 - Flotation
 - \pm Acid treatment
 - Drying
 - Bagging

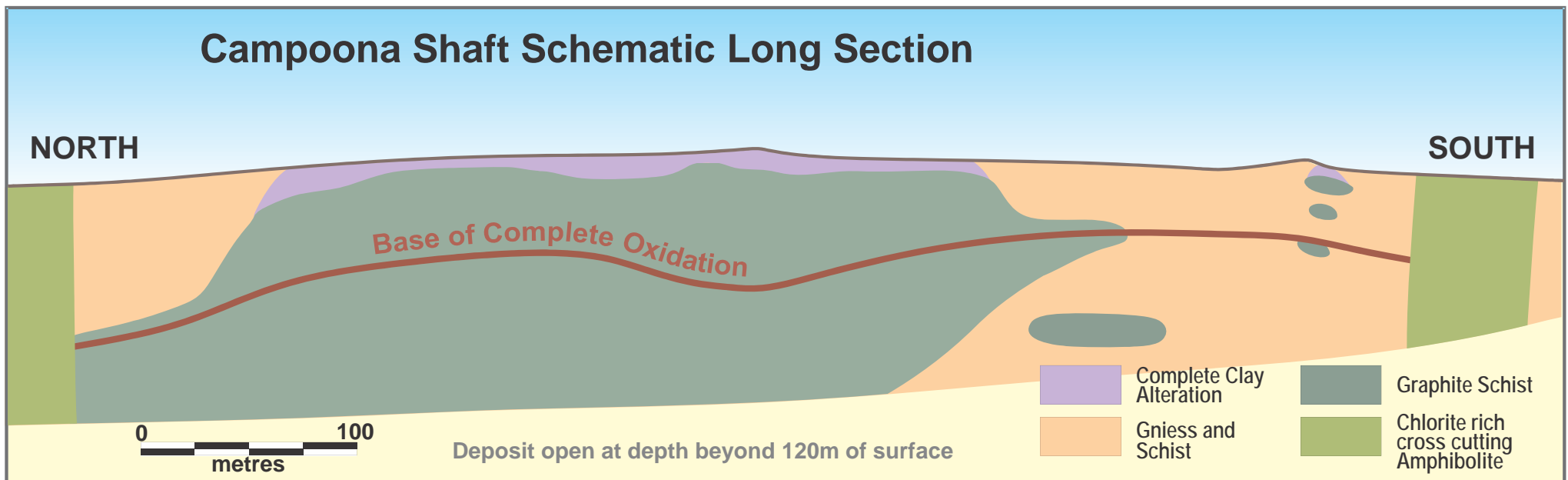


Marketing & Export

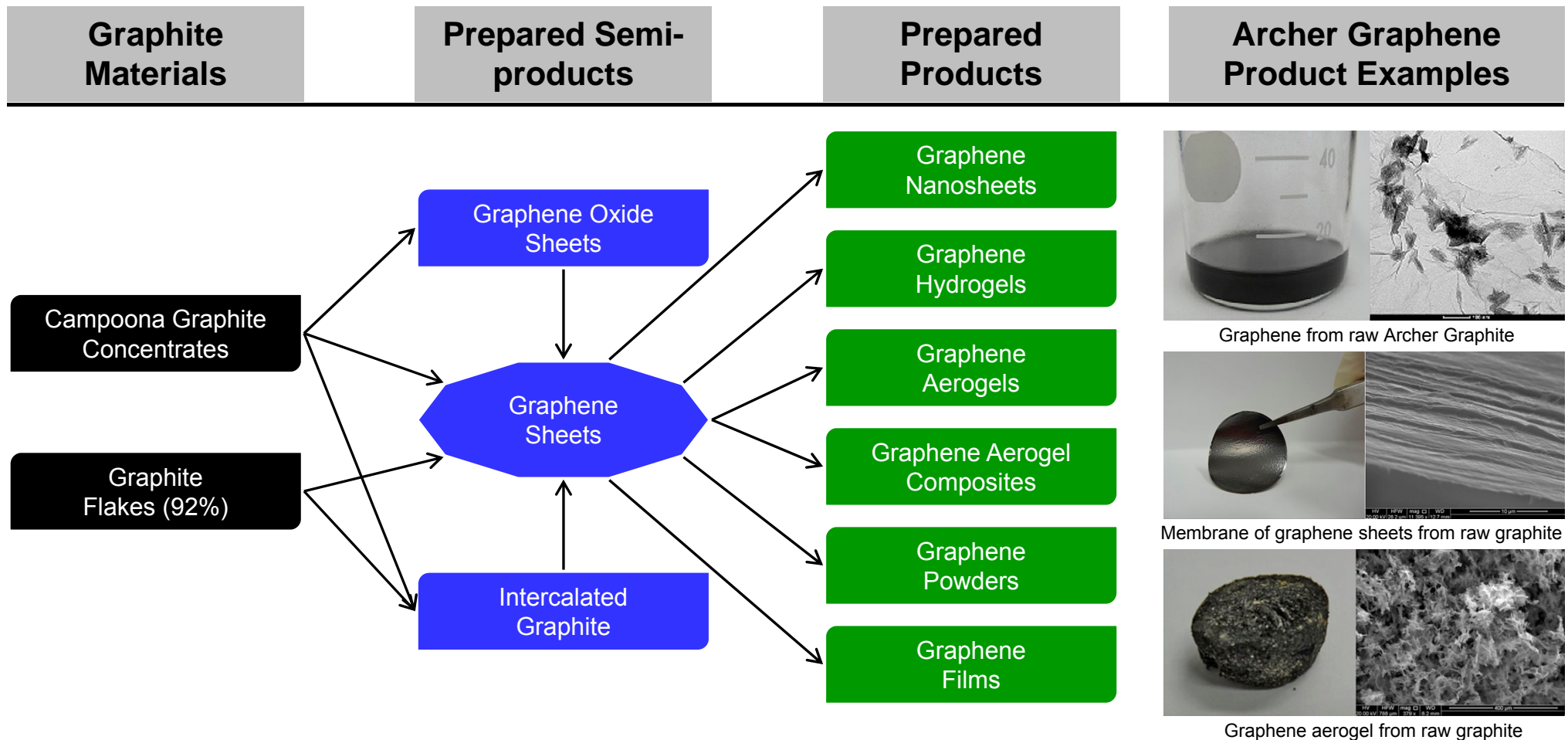
- Engage with customers
- Truck to nominated port
- Supply feed for advanced graphene / graphite production

Prospective graphite zones

- Graphite outcrops
- 10-50m thick highly graphitic schist
- Deep complete oxidation
 - **Upper Claystone** - ≈5m thick clay-rich highly graphitic zone of graphite + kaolin + quartz
 - **Upper BOCO** - porous graphite + quartz + kaolin + tourmaline ± garnet ± iron oxides ± sillimanite ± muscovite gangue. Feldspars all converted to kaolin and most removed. Some clay-rich zones occur as cavity fill.
 - **Lower BOCO** - Below ≈70m depth the graphitic schist becomes progressively more competent. Strong weathering persists to at least 100m depth. Feldspars all converted to illite ± kaolin with minor smectite below 80m.

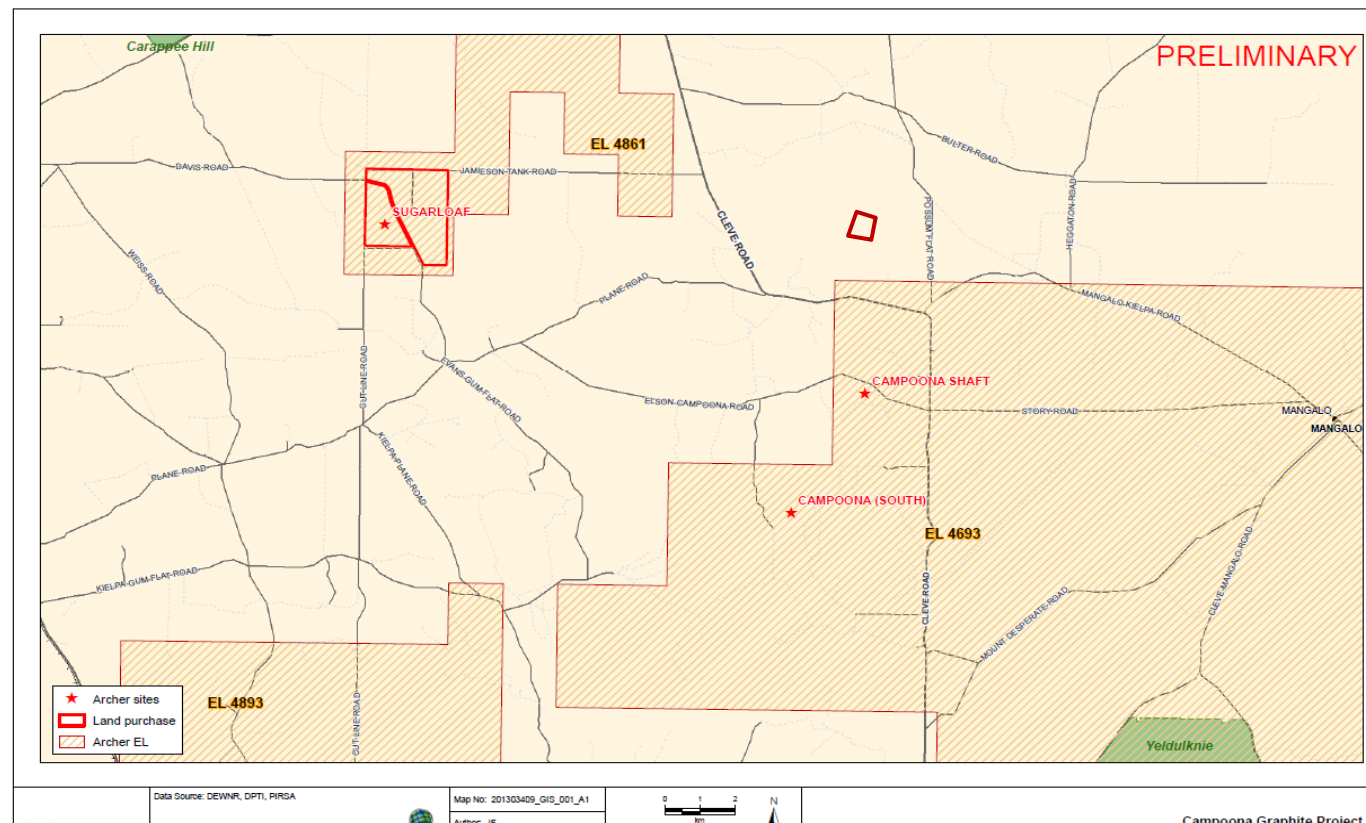


Two-year research program with University of Adelaide commenced into graphite and graphene related products



Archer owns the land needed for mining and mineral processing

- Campoona Shaft and Sugarloaf both occur on freehold pastoral land
- Archer owns Sugarloaf (1,403 acres) and has binding HoA over sufficient land at Campoona Shaft for mining to proceed
- Early land purchases has secured access and mitigated land risk associated with developing mining and processing operations

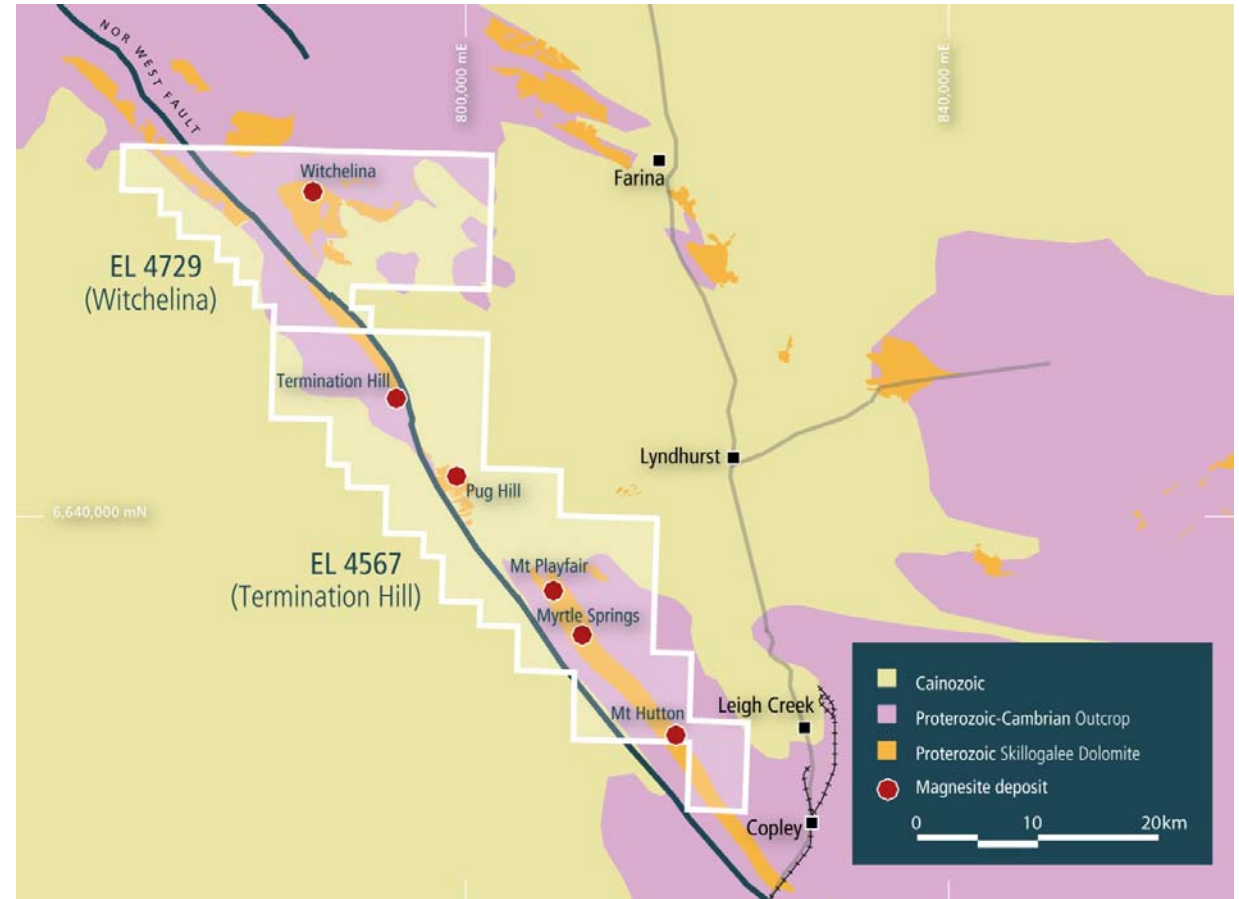


World's largest cryptocrystalline magnesite deposit

- Up to 86 beds of magnesite within the Skillogalee Dolomite
- Uppermost 17 beds assessed as being of economic significance
- Magnesite ($MgCO_3$) beds deposited in quiet, shallow lagoon setting giving rise to remarkable uniformity in terms of widths, grade and bed characteristics
- Magnesite either outcrops or is covered by a thin veneer of colluvium



Beds of magnesite (white) and interbedded dolomite (pale brown) at nearby Myrtle Springs mine



Location of Archer's mineral tenement at Leigh Creek in relation to target Skillogalee Dolomite Unit highlighting the main magnesite deposits at Mt Hutton, Mt Playfair, Pug Hill, Termination Hill and Witchelina