

# Archer Exploration Announces Pricing of Fully Subscribed C\$10 Million Private Placement and Provides Transaction Update

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VANCOUVER, BC, Nov. 8, 2022 /CNW/ - Archer Exploration Corp. (CSE: RCHR) ("**Archer**") is pleased to announce that it has priced its fully subscribed C\$10 million private placement offering previously announced on October 20, 2022 (the "**Offering**"). Pursuant to the amended terms, the Offering will consist of the sale of: (i) 4,545,455 non flow-through units of Archer (each, an "**NFT Unit**") at a price of C\$0.66 per NFT Unit (the "**NFT Offering Price**"), (ii) 4,243,334 flow-through units of Archer (each, a "**FT Unit**") at a price of C\$0.75 per FT Unit and (iii) 2,898,550 charity flow-through units of Archer (each, a "**Charity FT Unit**" and together with the NFT Units and FT Units, the "**Units**") at a price of C\$1.38 per Charity FT Unit. Each FT Unit and Charity FT Unit will be issued as a "flow-through share" as defined in subsection 66(15) of the Income Tax Act (Canada). Aggregate gross proceeds of the Offering are expected to be at least C\$10,182,500.

Each Unit will consist of one common share of Archer (each, a "**Unit Share**") and one common share purchase warrant of Archer (each, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one additional common share of Archer (each, a "**Warrant Share**") at a price of C\$1.02 until the date which is 24 months following the Closing Date (as defined below).

The net proceeds of the Offering will be used for exploration and development of the Nickel Assets (as defined below) and for working capital purposes. The proceeds from the issuance of the FT Units and Charity FT Units will be used to incur eligible "Canadian exploration expenses" that qualify as flow-through critical mineral mining expenditures. Archer has agreed to renounce such qualifying expenditures with an effective date of no later than December 31, 2022, in an aggregate amount of not less than the total amount of the gross proceeds raised from the issuance of FT Units and Charity FT Units.

The closing of the Offering is anticipated to occur immediately prior to or contemporaneously with the closing of the Acquisition (as defined below), which is expected to be on or about November 18, 2022 (the "**Closing Date**") and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals.

The Offering is being led by Canaccord Genuity Corp. who is also acting as sole book-runner on behalf of a syndicate including National Bank Financial Inc. and Raymond James Inc. (collectively, the "**Agents**"). Archer has granted to the Agents an option (the "**Agents' Option**"), exercisable in whole or in part at any time up to two days prior to closing of the Offering, to sell up to such number of additional NFT Units at the NFT Offering Price as is equal to 15% of the total number of Units sold under the Offering.

Archer will pay to the Agents, a cash commission equal to 6% of the aggregate proceeds of the Offering (other than in respect of sales to those purchasers on the President's List, in which case a cash commission of 2% will be payable). On the Closing Date, Archer will issue to the Agents warrants, exercisable at any time from the Closing Date to the day that is 18 months from the Closing Date, to acquire in aggregate that number of common shares which is equal to 6% of the

number of Units sold pursuant to the Offering (reduced to nil in respect of sales to purchasers on the President's List), exercisable at the NFT Offering Price.

As disclosed in Archer's news release dated July 13, 2022, Archer has entered into an asset purchase agreement (the "**Asset Purchase Agreement**") with Wallbridge pursuant to which Archer will acquire (the "**Acquisition**") certain nickel assets, rights and obligations located in Quebec and Ontario (collectively, the "**Nickel Assets**") from Wallbridge Mining Company Limited ("**Wallbridge**"). As a condition precedent to the closing of the Acquisition, Archer is required to complete an equity financing for gross proceeds of at least C\$10,000,000.

The Units will be offered by way of private placement exemptions in each of the provinces of Canada and in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The securities being offered have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States, or to, or for the account or benefit of, U.S. persons or persons in the United States, absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

## **Loncan Transaction Update**

As previously announced on September 14, 2022, the Nickel Assets include certain shares held by Wallbridge (the "**Loncan Shares**") in Lonmin Canada Inc. ("**Loncan**"). On August 16, 2022, Magna Mining Inc. ("**Magna**") (TSX: NICU) announced that it had entered into an agreement to acquire 100% of the outstanding shares of Loncan (the "**Loncan Transaction**").

On November 7, 2022, Magna announced that it closed the Loncan Transaction and acquired 100% of the issued and outstanding shares of Loncan in exchange for an aggregate purchase price of C\$16 million comprised of a closing payment of C\$13 million in cash (the "**First Payment**") and a deferred payment of C\$3 million (the "**Deferred Payment**"), payable *pro rata* to each shareholder of Loncan.

Wallbridge has received its *pro rata* portion of the First Payment in the amount of C\$2,652,997 with respect to the Loncan Transaction, which is payable to Archer on the closing date of the Acquisition. Upon completion of the Acquisition, Archer will be entitled to receive Wallbridge's *pro rata* portion of the Deferred Payment in the amount of C\$612,000. The Deferred Payment will be payable to Archer in cash or shares of Magna, within 12 months of the closing date of the Loncan Transaction.

## **Consolidation**

In addition, further to its news release dated September 14, 2022, Archer has completed, effective as of today, a share consolidation (the "**Consolidation**") of the common shares of Archer (the "**Common Shares**") on the basis of one post-Consolidation Common Share for every three Common Shares issued and outstanding immediately prior to the Consolidation. All prices referenced in this news release are on a post-Consolidation basis.

A letter of transmittal describing the process by which shareholders may obtain new certificates representing their post-Consolidation Common Shares will be mailed shortly to registered shareholders. Shareholders of Archer that have Common Shares registered in the name of a broker, investment dealer, bank, trust company or other nominee will have that nominee complete a letter of transmittal in respect of the common shares they hold.

## **About Archer**

Archer is backed by Inventa Capital Corp., a Vancouver-based merchant bank founded in 2017 with the goal of discovering and funding opportunities in the resource sector. Pursuant to the Asset Purchase Agreement, Archer will acquire the Nickel Assets from Wallbridge, which consist of 2,046 mining titles covering approximately 67,000 hectares and include a 100% interest in the Grasset nickel sulphide project located in Quebec.

## **Cautionary Note Regarding Forward-Looking Statements**

Neither the CSE nor its Market Regulator (as that term is defined in policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to the activities, events or developments that Archer expects or anticipates will or may occur in the future. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These forward-looking statements or information may relate to: required regulatory approvals and fulfilling other closing conditions related to the Offering; closing of the Offering and the Closing Date; the use of the proceeds raised from the Offering; the exercise of the Agents' Option; completion of the Acquisition; and payment of the First Payment and the Deferred Payment.


Such forward-looking information and statements are based on numerous assumptions, including among others, that the results of planned exploration activities are as anticipated, the anticipated cost of planned exploration activities, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed and on reasonable terms, that third party contractors, equipment and supplies and governmental and other approvals required to conduct Archer's planned exploration activities will be available on reasonable terms and in a timely manner. Although the assumptions made by Archer in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: that there is no assurance that the parties hereto will obtain the requisite shareholder and regulatory approvals for the Acquisition, and there is no assurance that the Acquisition will be completed as anticipated, or at all; there is no assurance that any proposed financings will be completed or as to the actual offering price or gross proceeds to be raised in connection with such financings; following completion of the Acquisition, Archer may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable to Archer; compliance with extensive government regulation; domestic and foreign laws and regulations could adversely affect Archer's business and results of operations; the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of Archer's securities, regardless of its operating performance; the impact of COVID-19; the ongoing military conflict in Ukraine, and other risk factors set out in Archer's public disclosure documents.

The forward-looking information contained in this news release represents the expectations of Archer as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon

this information as of any other date. Archer does not undertake any obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

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**For further information:** Tom Meyer, President and Chief Executive Officer, Tel: (604) 364-2215, Email: [tmeyer@archerexploration.com](mailto:tmeyer@archerexploration.com)

CO: Archer Exploration Corp

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