



9<sup>th</sup> March 2012

## ASX ANNOUNCEMENT / MEDIA RELEASE

### West Roxby Project - Update to 28 December 2011 Announcement

#### Highlights

- **Definitive agreements with BHP Billiton Olympic Dam Corporation Pty Ltd on schedule for completion on or before 30 April 2012.**
- **Transfer of West Roxby tenements completed with all tenements now held by single Archer entity.**

#### Heads of Agreement with BHP Billiton Olympic Dam Corporation Pty Ltd

On 28 December 2011 Archer Exploration Limited announced that it had signed a Heads of Agreement (**HoA**) with BHP Billiton Olympic Dam Corporation Pty Ltd (**ODC**) covering the sale of an 80% legal and beneficial interest in Archer's five West Roxby tenements.

The terms of the HoA are described in detail in the ASX announcement of 28 December 2011, however the key commercial terms of the HoA are:

- ODC is to acquire an 80% legal and beneficial interest in the five West Roxby tenements by making a \$3 million cash payment to Archer.
- ODC will spend \$3 million on Exploration over a period of 3 years.
- ODC will sole fund the Project to the earlier of \$50 million on exploration and/or a decision to mine.

The HoA contemplates the finalisation of a Sale and Purchase Agreement and a Joint Venture Agreement prior to 30 April 2012 and the Company is pleased to announce that it has been in negotiations with ODC with the expectation of finalising the definitive agreements as soon as possible.

#### Transfer of tenements

The West Roxby Project tenements were held by Kensington Exploration Pty Ltd (3 tenements) and Pirie Resources Pty Ltd (2 tenements). Both Kensington Exploration Pty Ltd (**KEPL**) and Pirie Resources Pty Ltd (**PRPL**) are wholly owned subsidiaries of Archer.

In August 2011 Archer commenced the process of transferring the two PRPL tenements to KEPL. The Company is pleased to announce that the transfers have been approved by the Department of Manufacturing Industry Trade Resources and Energy and all West Roxby Tenements are now held by KEPL.

### About the West Roxby Project

The West Roxby Project is located approximately 90km southwest of BHP Billiton’s Olympic Dam Operations and comprises 5 contiguous tenements covering an area of approximately 3,699 km<sup>2</sup> which includes a reduction in EL3724 from 884 km<sup>2</sup> to 162 km<sup>2</sup> due to portions of the tenement residing within the Woomera prohibited zone. The excised land did not have identified exploration targets.

The tenements host a number of undrilled exploration targets including potential IOCG targets at Island Lagoon and Evelyn Dam, a potential Athabasca unconformity uranium target at Apollo and several skarn targets (Figure 1).

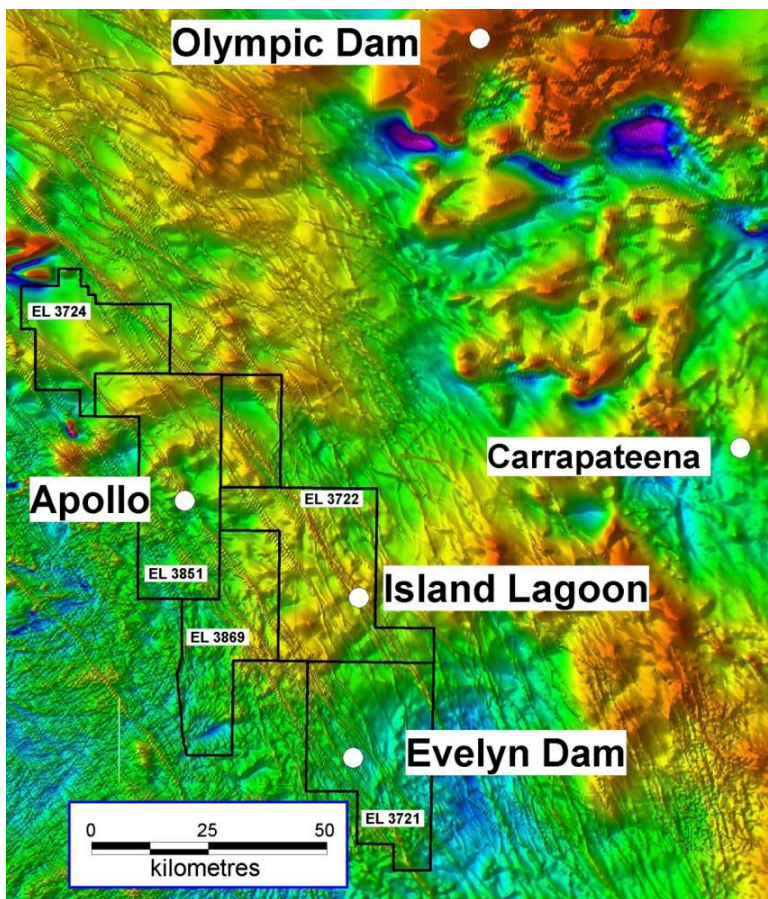


Figure 1: Magnetic image showing Archer’s West Roxby Tenements in relation to major IOCG deposits

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*The exploration results 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 sixteen years experience in the field of activity being reported. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*