

ARCHER 

Prospectus

Archer Exploration Ltd

ABN 64 123 993 233

The Company is offering to issue up to 35,000,000 Shares each at \$0.20 to raise up to \$7,000,000, with a Minimum Subscription of 25,000,000 Shares each at \$0.20 to raise \$5,000,000.

Sponsoring Broker

 **LandsKirwanTong**
Stockbrokers Pty Limited

The Shares offered under this Prospectus are of a speculative nature

Corporate Directory

Directors

Tom Phillips AM
Chairman (non-executive)

Alice McCleary
Director (non-executive)

Greg English
Director (non-executive)

Company Secretary

Craig Gooden

Independent Geologist

Hugh Rutter
Flagstaff GeoConsultants Pty Ltd
PO Box 2236
Richmond South, 3121

Solicitors

Watsons Lawyers,
60 Wellington Square
North Adelaide 5006; and

Kelly & Co,
Level 17, 91 King William Street
Adelaide 5000

Independent Accountant

Grant Thornton South Australian Partnership
Level 1, 67 Greenhill Road
Wayville 5034

Sponsoring Broker

Lands Kirwan Tong Stockbrokers Pty Limited
Level 12, 99 William Street
Melbourne, 3000
Phone: (03) 9629 5422
Fax: (03) 9629 7096

Share Registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street Adelaide SA 5000
GPO Box 1903 Adelaide SA 5001
Enquiries (within Australia): 1300 738 349
Enquiries (outside Australia): +61 3 9415 4649

Reserved ASX code

AXE

Company contact details

info@archerexploration.com.au

32 Beulah Rd
Norwood, 5067
Phone: (08) 8132 0003

Registered office

32 Beulah Rd
Norwood
South Australia, 5067

Electronic prospectus

This Prospectus will be issued in paper form and as an electronic prospectus, which may be viewed online at www.archerexploration.com.au

The Offer is available to persons receiving an electronic version of the Prospectus in Australia.

Indicative Timetable to the Offer³

Lodgement of Prospectus with ASIC

June 29, 2007

Expected Opening Date¹

July 9, 2007

Expected Priority Offer Closing Date

July 20, 2007

Expected Public Offer Closing Date²

July 27, 2007

Expected Allotment Date

August 3, 2007

Proposed date of trading Shares on ASX to commence

August 14, 2007

Notes

- ¹ *Subject to the length of Exposure Period. Any extension of the Exposure Period will impact upon the Closing Date.*
- ² *Investors are encouraged to submit their Applications as early as possible. The Directors reserve the right to close the Offer earlier or later than as indicated above without prior notice to investors.*
- ³ *Anticipated dates only. The date the Shares are expected to be issued and/or commence trading on ASX may vary with any change to the Closing Date.*

Important Notice

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisor without delay. The Shares offered by this Prospectus should be considered speculative. Refer to the Additional Information section for details relating to investment risks.

Investment opportunity

- Archer Exploration is a new mineral explorer focused on the discovery of world-class deposits on the Stuart Shelf of the Gawler Craton, South Australia.
- The Company has carefully acquired a portfolio of eight mineral exploration interests covering a total of 5,693 km².
- The Company owns 100% of its tenements.
- The Gawler Craton is host to the Olympic Dam iron oxide-copper-gold-uranium (IOCG-U) deposit - the single largest deposit of uranium in the world. Ongoing discoveries and recent mine developments have confirmed the Gawler Craton as one of the world's foremost iron oxide-copper-gold provinces.
- Archer Exploration has a high priority target in the Evelyn Dam gravity anomaly, which has early geophysical characteristics similar to those of Olympic Dam and the recent Carapateena discovery.
- The initial focus of Archer Explorations work will be to drill test the Evelyn Dam anomaly. It will also extend geophysical coverage across the rest of its 100% owned tenure to define already known anomalies, and to discover new anomalies, in this lightly explored area.
- Some of the Company's tenements also have good potential for sediment-hosted and roll-front styles of uranium mineralisation.

1



This description of the Investment Opportunity should be read in conjunction with the rest of this Prospectus. The Company is in the early stages of development and the Shares offered by this Prospectus should be considered speculative. Investors should familiarize themselves with the risks associated with an investment in the Company which are described in the Additional Information section of this Prospectus.

Contents

Chairman's Message	3
Directors' Overview	6
Directors and Management	14
Details of the Offer	16
Independent Geologist's Report	21
Independent Accountant's Report	30
Independent Solicitor's Report	41
Summary of Material Agreements	48
Additional Information	51
Glossary & Technical Terms	58
Application Form: <i>Priority and Public Offer</i>	61

2

Important notices and Statements

This Prospectus is dated and was lodged with ASIC on 29 June 2007. Neither ASIC nor ASX take responsibility for the content of this Prospectus.

No Shares will be issued or granted on the basis of this Prospectus after the expiry date which will be not later than 13 months after the date of this Prospectus.

No offer is made by this Prospectus in any jurisdiction outside of Australia. The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

No person is authorized to give any information or to make any representation in connection with the Offer other than as contained in this Prospectus. Any information or representation not contained in the Prospectus should not be relied on as having been made or authorized by the Company, or its Directors, in connection with the Offer.

The Company is not admitted to the Official List of ASX. The Company will make an application within 7 days of this Prospectus for admission of the Company and Official Quotation of Shares on ASX.

Applications for Shares will only be accepted on the Application Form attached to this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Applications for Shares under this Prospectus will not be processed until after expiry of the Exposure Period pursuant to Chapter 6D of the Corporations Act. No preference will be conferred on Applications received during the Exposure Period. All Applications received during the Exposure Period will be treated as if they

were simultaneously received on the date on which the Offer opens. If the Exposure Period is extended by ASIC, Applications will not be processed until after the expiry of the extended Exposure Period.

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants prior to the acceptance of Applications and the raising of funds. The examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

An investment in the Company is considered speculative. There is no guarantee that the Shares offered by this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Potential investors should carefully consider whether the Shares offered by this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position and are encouraged to consult an independent stockbroker, accountant or professional adviser for advice. Refer to pages 51-54 of this Prospectus for details relating to the investment risks. This Prospectus constitutes only general advice and does not take into account your individual investment objectives, financial situation or particular needs.

Items and undertakings displayed in photographs and figures in this Prospectus are not necessarily assets owned by the Company. The inclusion of photographs and figures supplied by persons or entities other than the Company does not constitute an endorsement or recommendation by those persons or entities of the Shares offered under this Prospectus.

Chairman's message

Dear Investor,

On behalf of the Board of Archer Exploration, I present this Prospectus to you and invite you to become a Shareholder in the Company by subscription to this Offer.

Archer Exploration is a mineral exploration company focused on the discovery of new Olympic Dam style iron oxide-copper-gold-uranium ('IOCG-U') deposits, and the discovery of sediment-hosted uranium deposits in the Gawler Craton of South Australia. The Gawler Craton is recognised as one of the most prospective mining provinces in the world, and, in the opinion of Archer Exploration, is considerably under-explored. Our tenements offer an excellent opportunity to build a significant mining company.

Archer Exploration has carefully acquired a portfolio of mineral exploration interests in the Stuart Shelf portion of the Gawler Craton region, and has a 100% interest in all of its exploration titles. This gives the company maximum flexibility in developing its exploration strategies.

The highlights of the Archer Exploration portfolio are the Evelyn Dam and Island Lagoon anomalies. In particular, the Evelyn Dam anomaly is comparable in magnitude to those which characterize the Olympic Dam and Carapateena deposits and, while this is no guarantee that mineralisation is present, this is certainly an excellent exploration indicator. The Company is confident that as our proposed geophysical programs are delivered across the tenements, many of the anomalies already indicated by the regional data will be confirmed as high priority targets.

The Company will seek to increase Shareholder value through a focused and cost-effective exploration program of the Evelyn Dam and Island Lagoon anomalies, and its other tenements. The Board will also consider opportunities for other acquisitions, joint ventures or investments in the resource sector, to enhance Shareholder value.

The Board of Archer Exploration comprises Directors with extensive experience in a wide range of sectors, including international business, finance, corporate and commercial, legal and mining. To ensure that Archer Exploration is able to commence its operations rapidly and effectively the Company has engaged ASX-listed company UraniumSA Limited to provide the services of its employees, including Managing Director, Russel Bluck, a highly experienced exploration geologist, and its Chief Geologist, Wade Bollenhagen.

Government relations, native title and environmental issues also rank highly with all members of the Board, who see that effective partnerships with these parties will ensure responsible, timely and cost-effective exploration.



Tom Phillips AM
MBA, FAICD
Chairman (non-executive)

Under this Prospectus, Archer is offering up to 35 million Shares at \$0.20 each to raise up to \$7million (before costs). Archer Exploration has an ongoing business relationship with UraniumSA Limited. Because of this, UraniumSA Shareholders who wish to invest in the Company have a priority entitlement of up to a total of 5 million Shares valued at \$1million - see page 17 of this Prospectus.

I would also like to acknowledge the important contribution made to minerals exploration in South Australia by the Department of Primary Industries and Resources South Australia (PIRSA). The Department's foresight in committing funds, over almost two decades, to surveying vast tracts of unexplored outback South Australia, has resulted directly in Archer Exploration being able to make this Offer available today. By undertaking this basic preliminary work, many private sector exploration companies have been enabled to raise the necessary capital to begin to unlock the mineral wealth of one of the most prospective mineral provinces in the world.

This Prospectus contains details of the Company, its assets and proposed operations, together with a statement of the risks associated with investing in Archer Exploration. Specifically, the Company's projects are considered speculative, and little exploration has taken place on the tenements to date.

It is with great pleasure that I invite you to take advantage of this Offer to participate in making Archer Exploration a successful explorer in the proven Gawler Craton region. I look forward welcoming you as a Shareholder in the Company.

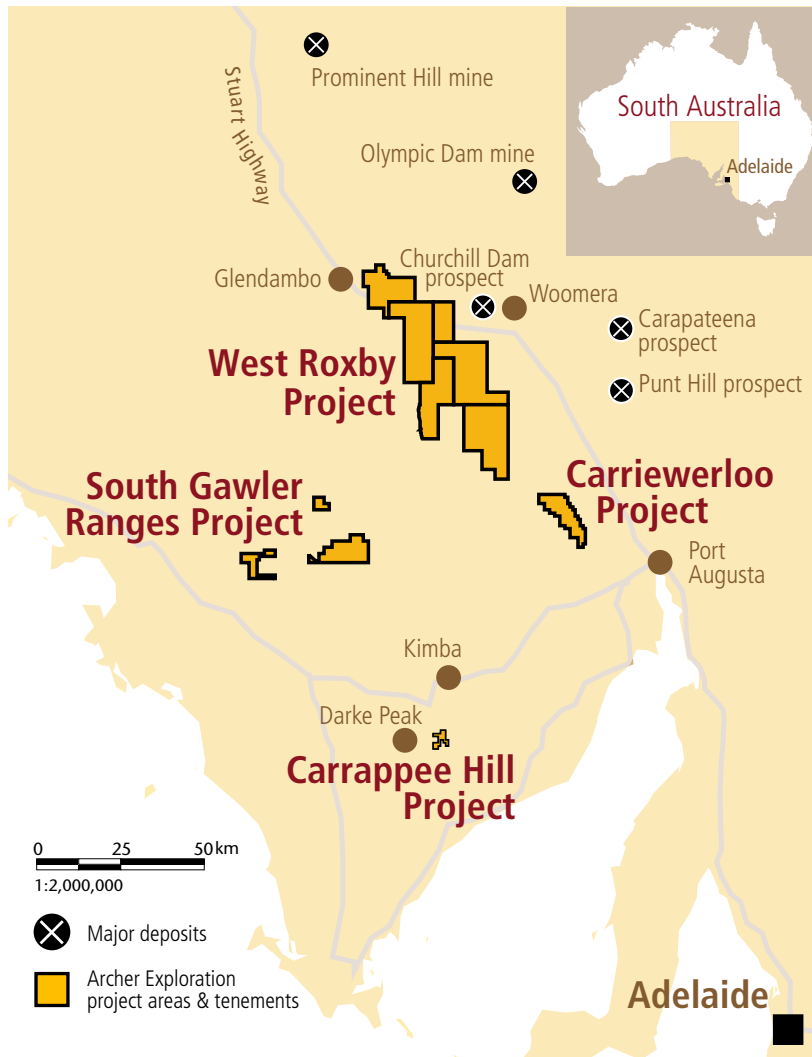
Yours sincerely,



Tom Phillips AM
Chairman



Archer Exploration Projects



Directors' overview

Objective

Archer Exploration Limited intends to become a significant force in the ongoing exploration and profitable development of world class iron oxide-copper-gold-(IOCG) deposits and sediment-hosted uranium mineralisation on the Gawler Craton of South Australia. To achieve this objective the Company has acquired a portfolio of high quality exploration assets and a Board with a powerful and flexible range of corporate, legal, financial and entrepreneurial skills.

Following the successful completion of this Offer, the Company will have sufficient working capital to advance the exploration of its projects towards the discovery of new mineralisation.

Property Portfolio

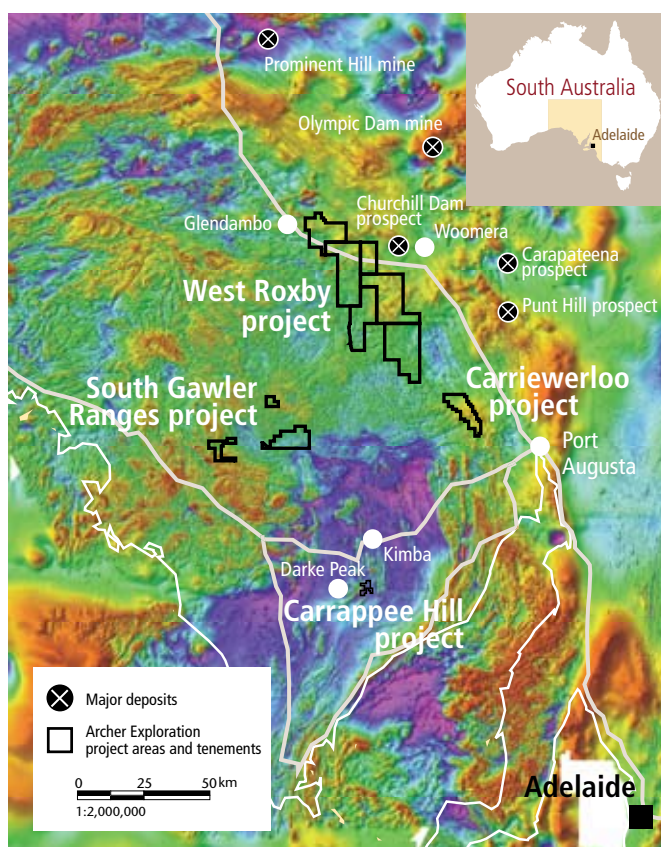
The strength of the Archer Exploration Limited tenement portfolio is:

- contiguous cover over western extensions to the IOCG corridor on the Stuart Shelf portion of the Gawler Craton.
- the Evelyn Dam gravity anomaly which is comparable in size and amplitude to the gravity features associated with major IOCG deposits. A gravity profile across the region from Olympic Dam to Evelyn Dam is given in the accompanying figure and illustrates why Archer Exploration regards it as such a high quality exploration target.
- Island Lagoon and other as yet un-named gravity anomalies in the regional data which require infill survey to define exploration targets.
- depth to basement in the West Roxby Project tenement areas is in the range of 140-650m, compared to the 500m to 800m depths commonly encountered elsewhere within the IOCG corridor.
- Archer Exploration owns 100% of the tenements in its portfolio and consequently has a 100% interest in all minerals located within each of these tenements.
- Tenements are close to existing major infrastructure including the Stuart Highway, major electricity, rail and gas corridors, and in close proximity to the townships of Woomera and Roxby Downs.

The West Roxby Project tenements are within an area that has been very lightly explored in the past. To encourage exploration in the region gravity surveys have been carried out by the South Australian Department of Primary Industries and Resources (PIRSA) under their Targeted Exploration Initiative South Australia (TEISA) program. This proactive work by PIRSA has provided the gravity data which defines the previously unrecognised Evelyn Dam gravity anomaly which represents a new and significant target for IOCG exploration. The TEISA survey has been the basis of a re-evaluation of the regional geology by Archer Exploration, leading to a significantly enhanced view of the prospectivity and increased exploration interest in the area.

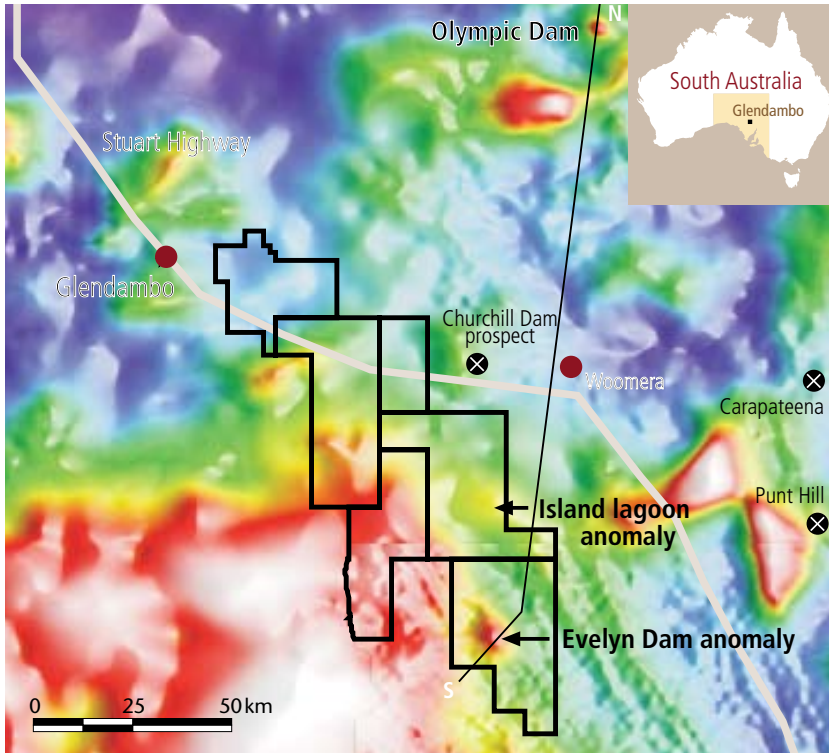
The Archer Exploration property portfolio comprises four granted Exploration Licences and four Exploration Licence Applications. Three of the Exploration Licence Applications (ELAs 2006/645, 646 and 650) have been offered for grant of title, the offer has been accepted, and Archer Exploration knows of no reason why these Exploration Licences will not be issued.

6

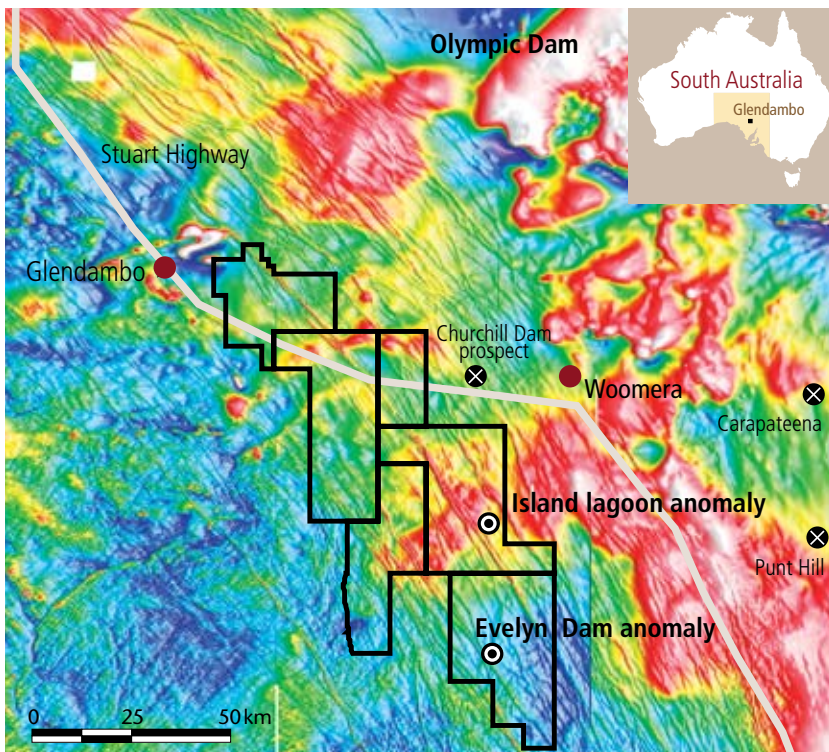


Archer Exploration Projects on TMI image of South Australia

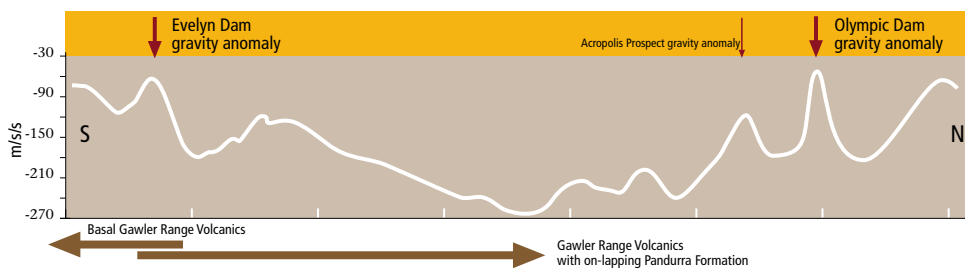
West Roxby Project



Tenements on regional gravity image with section line from Evelyn Dam to Olympic Dam



Tenements on regional TMI image



Regional gravity profile - Evelyn Dam to Olympic Dam

Prospectivity

Archer Exploration's tenements are located on the Stuart Shelf portion of the Gawler Craton. The Gawler Craton covers approximately 440,000 square kilometres of central South Australia.

The Gawler Craton region is internationally known for hosting the immense Olympic Dam IOCG-U deposit which was discovered in 1974, and the Prominent Hill IOCG deposit that is presently being brought to production by Oxiana Ltd (discovered 2001). The more recent Carapateena discovery (2005, being explored by Teck Cominco) and the Punt Hill prospects (2006, Monax Mining Ltd) are also of the IOCG type and confirm the significance of the Gawler Craton as a target for mineral exploration for world class mineral deposits.

However, despite containing these major deposits and prospects, in comparison with other Australian terrains of similar geological age (e.g. Yilgarn Craton in Western Australia, North Australian Craton in Queensland) the amount of mineral exploration activity in the Crawler Craton is comparatively small.

However, minerals exploration is an ongoing and dynamic industry and the recent intersections of hematite altered Gawler Range Volcanics at the Churchill Dam prospect (Venture Minerals Ltd., February 2007) and the identification of the Evelyn Dam gravity anomaly within Archer Exploration's EL 3721 (as a result of TEISA gravity surveys) indicates that the IOCG corridor of high prospectivity may extend some 60 km further west than previously envisaged.

Archer Exploration proposes that the western margin of the IOCG corridor is more-or-less coextensive with a north-west trending on-lap of Mesoproterozoic Pandurra Formation onto basal Gawler Range Volcanics, and that this contact is coincident with a major gravity gradient. These concepts are illustrated in the accompanying gravity images and cross section.

Targeting

IOCG targeting

One of the distinctive characteristics of the Olympic Dam mineralised system is its high density reflecting the hematitic, brecciated granitic host rock. For many years following the discovery of Olympic Dam, exploration targeting IOCG deposits focussed on magnetic and then composite magnetic/gravity anomalies as gravity surveying became more cost-

effectively available. As understanding of the geology of these IOCG systems has evolved, targeting models have changed and the discovery rate is accelerating as geological and mineralogical considerations drive more sophisticated analysis.

A key element in the accelerating success in IOCG exploration has been the technological changes that have revolutionised the collection of gravity data. Today, the linking of precision gravity instrumentation with highly accurate GPS systems delivers good quality gravity data at relatively low cost. This enables explorers to acquire large data sets quickly and cost effectively, leading to the rapid identification of anomalies and the targeting of drill holes.

The Independent Geologist notes in his Report that the critical geophysical characteristic of the Olympic Dam system is the higher density of the host rocks. It is the gravity anomaly related to these distinctive host rocks which is the primary exploration targeting tool and, as noted by the Independent Geologist, the gravity anomalies within the Archer Exploration tenements are consistent with this model and targeting process.

Palaeodrainage Uranium targeting

Tertiary and younger palaeodrainage systems across the region express as strings of playa lakes and larger salt lake systems. These modern and palaeodrainage systems drain across source rocks that are geologically enriched in uranium. This combination of potential uranium source rocks and active and ancient drainage systems is favourable for the development of a variety of styles of roll-front and sediment hosted deposits. Further, the available airborne radiometric data indicates that uranium is presently mobile in these fluvial/lacustrine systems indicating that if suitable depositional sites can be found there is the possibility for economic uranium mineralisation.

Archer Exploration has a range of types and ages of modern and palaeodrainage and depositional systems within its tenements. These will be aggressively explored for uranium mineralisation in favourable sediments in lacustrine setting and in liner redox styles in recent drainages and their palaeodrainage analogues.

Unconformity related Uranium targeting

Internationally, deposits developed at or about unconformities are the single largest source of uranium. The best known of these are probably the high grade deposits of the Athabasca Basin of Canada and the Alligator Rivers region of the Northern Territory. The Canadian deposits are frequently deep but relatively high grade - for example, the McArthur River uranium mine in the Athabasca Basin lies 500 metres below the surface, and the Cigar Lake deposit in the same province averages up to 20% U3O8.

Across the Gawler Craton there is good exploration potential for the discovery of unconformity style

uranium deposits – though none have been discovered to date. The Gawler Craton has a range of basement rock suites which have characteristics which make them potential sources for uranium, and major unconformities in the overlying sequences which could be a focus for deposition of mineralisation. PIRSA recognises the exploration possibilities of the unconformity exploration model across the Gawler Craton, and the Cariewerloo Basin is currently being explored for this type of deposit by the likes of Mega Uranium Ltd (though wholly owned subsidiary Hindmarsh Resources Ltd), SXR Uranium 1 Inc and Afmeco Mining & Exploration Pty Ltd.

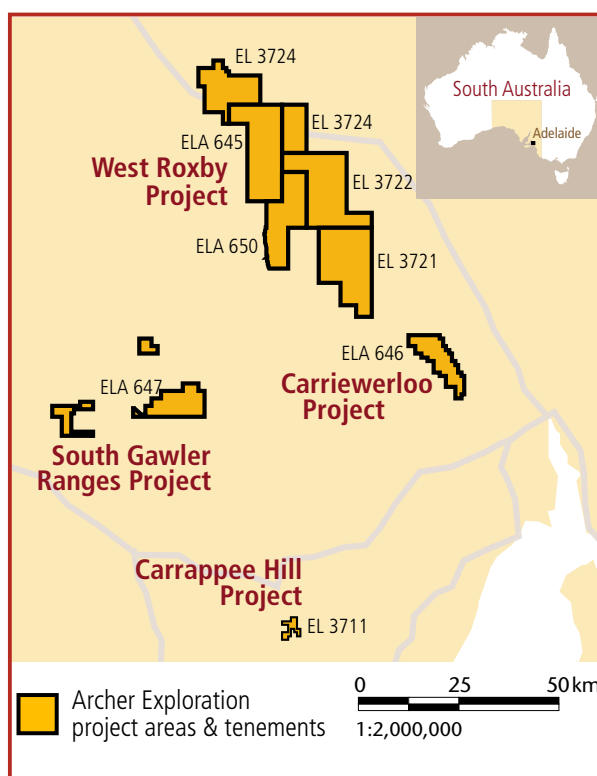
Proposed Exploration

The work program and budget proposed by Archer Exploration is as follows:

		km ²	Minimum Subscription		Minimum Subscription	
			year 1	year 2	year 1	year 2
<i>Kingoonya (Yalymboo)</i>	<i>EL3721</i>	962	\$443,907	\$850,000	\$443,907	\$1,109,063
<i>Andamooka (Island Lagoon)</i>	<i>EL3722</i>	971	\$467,431	\$300,000	\$467,431	\$455,625
<i>Woomera (Wirraminna)</i>	<i>EL3724</i>	884	\$221,698	\$306,250	\$221,698	\$384,062
<i>Carrapee Hill</i>	<i>EL 3711</i>	55	\$65,251	\$100,000	\$65,251	\$100,000
Annual total			\$1,198,287	\$1,556,250	\$1,198,287	\$2,048,750
Two-year total				\$2,754,537		\$3,247,037

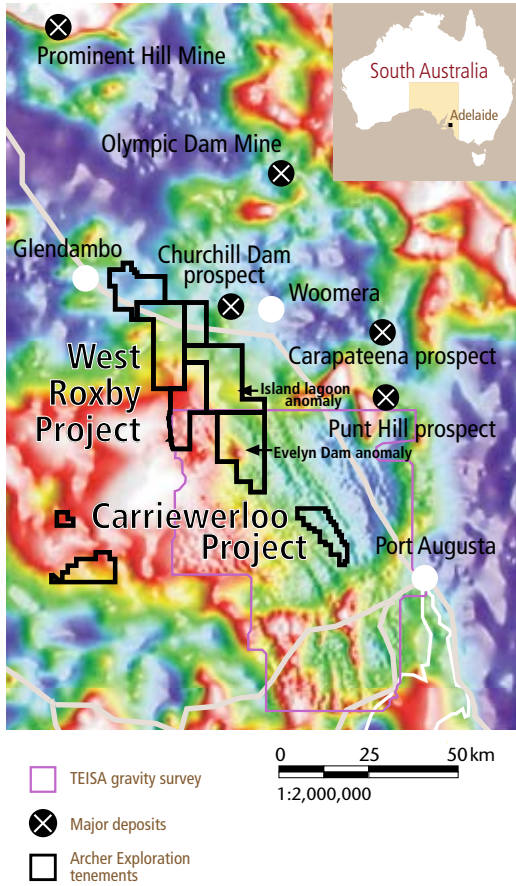
The focus of the Archer Exploration programs will be advancing the Evelyn Dam anomaly to drill testing for IOCG mineralisation, and on defining the Island Lagoon and other gravity anomalies throughout its tenements for assessment as IOCG targets.

Through the Service Agreement with UraniumSA, contracts for the delivery of regional and detailed gravity services are being negotiated. This will ensure that drill targeting can be completed and drill rigs contracted in a timely manner after Listing. It is the intention of the Company to have significant work programs commence as soon as practicable after completion of the Offer, and to have drilling programs underway before the end of 2007.

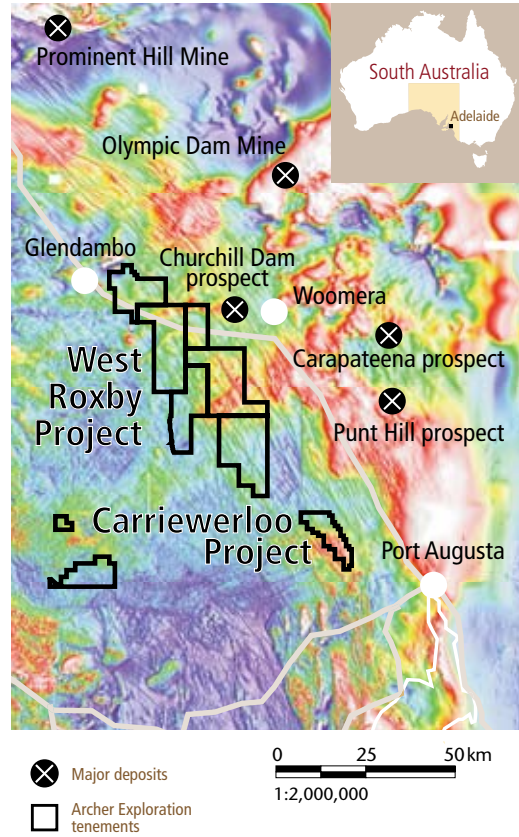


Archer Exploration Projects with tenement numbers

**West Roxby & Carrierwerloo Projects:
Tenement on regional gravity image**



**West Roxby & Carrierwerloo Projects:
Tenement on regional TMI image**



West Roxby Project

Archer Exploration’s work program within the West Roxby Project area will focus on:

- advancing the *Evelyn Dam* gravity anomaly IOCG target to drill testing as soon as practicable.
- developing the *Island Lagoon* gravity anomaly to the identification of drill targets.
- completing regional and infill gravity surveys to define anomalies present within the other Exploration Licences in the portfolio.
- systematic exploration for uranium mineralisation in lake sediments and modern and palaeodrainage systems.

IOCG Exploration in the West Roxby Project

The *Evelyn Dam gravity anomaly* is located on the western shore of Lake Macfarlane on Yalymboo Station within *EL 3721 Kingoonya*. The gravity anomaly was discovered by a PIRSA funded TEISA gravity survey and lies some 74km south-southwest of Woomera and 65km west of the Stuart Highway.

A gravity profile across the region from Olympic Dam to Evelyn Dam is given in the accompanying cross section and shows comparable magnitudes for several of the significant anomalies and illustrates the interpreted underlying geological changes.

Depths to basement in the eastern parts of the region are generally more than 500m and frequently exceed 800m. While the available geophysical data for Evelyn Dam is not sufficient to model for an estimate of depth to source of the anomaly, on the basis of limited previous drilling in the district the younger cover sequences overlying basement are in the range of 140-650m.

Evelyn Dam is a high quality exploration target for the discovery of IOCG mineralisation. On the basis of the available gravity data the source of the anomaly has the size potential to host a major mineralised system. It is comparable in lateral extent and anomaly amplitude to other major mineralised systems such as Olympic Dam and Carapateena.

The Company will complete in-fill geophysical surveying and modelling of the Evelyn Dam anomaly and will follow this immediately with drill testing.

The *Island Lagoon gravity anomaly* is located within *EL 3722 Andamooka* and extends across the western margins of Island Lagoon. The anomaly is apparent in the regional gravity data and lies some 42km southwest of Woomera, and 30km south of the Stuart Highway.

The level of definition of the Island Lagoon anomaly within the regional data set is similar to that of the Evelyn Dam anomaly prior to the completion of the PIRSA/TEISA gravity survey. The Independent Geologist regards the Island Lagoon anomaly as potentially reflecting Olympic Dam style host rocks and, as such, a good target for IOCG exploration.

The Company will complete in-fill geophysical surveying over the Island Lagoon tenement as provided for in the exploration budget, and will follow this with modelling leading to drill testing. On the basis of the existing gravity data, Archer Exploration is confident that the infill surveys will identify a new series of IOCG exploration targets for detailing and drill testing.

Within *EL 3724 Woomera* the regional gravity data does not show significant texture or anomalies, but this may well be a function of the broad separation of gravity stations. Archer Exploration will infill the regional data sets, focussing on identifying gravity anomalies in the northwestern parts of the area as recommended by the Independent Geologist.

The area of *ELA 645/06 Lake Gairdiner North* has three potentially significant gravity anomalies evident in the regional gravity data. The anomalies lie along a north-eastern gravity gradient which is interpreted as the margin of basal Gawler Range Volcanics – a setting similar to that of the major Evelyn Dam anomaly. Other gravity targets may well exist within the broad regional coverage. The Independent Geologist considers high-density rocks similar to those of Olympic Dam may be the source of these anomalies.

The southern portion of *ELA 650/06 Lake Gairdiner South* was covered by the PIRSA/TEISA survey and displays a pattern of low order, low amplitude anomalies which are assumed to reflect Gawler Range Volcanics. North of this, the regional gravity data indicate two poorly defined anomalies, again within inferred Gawler Range Volcanics – these anomalies warrant in-fill surveying to achieve greater definition.

The tenure adjoining Lake Gairdiner South covers similar basement geology and is held by RMG Services, the discoverer of the Carapateena prospect, and Teck Cominco, one of the world's largest mining companies, who are exploring the prospect.

Palaeodrainage Uranium Exploration in the West Roxby Project

The lake sediments and modern and palaeodrainage systems within the West Roxby Project tenements are prospective for sediment-hosted and roll front uranium mineralisation. Archer Exploration intends to systematically explore these systems using an airborne electromagnetic survey to target drilling. It is anticipated that the airborne survey will be contracted and commenced soon after the completion of the Offer. Initial air-core drilling should be underway before the end of 2007.

Within *EL 3721 Kingoonya* radiometric imaging of Lake Macfarlane shows low order anomalies along the margins indicating the lake and associated modern and palaeodrainages are prospective for sediment-hosted and roll front uranium mineralisation. It is anticipated that the airborne electromagnetic survey will identify targets for air-core drill testing.

Island Lagoon within *EL 3722 Andamooka* has several subdued radiometric anomalies about its margins. Targets identified from airborne electromagnetic surveying will be explored by air-core drilling.

The southern block of *EL 3724 Woomera* contains Lake Hart, a playa lake which is co-extensive with a well defined uranium channel anomaly. A 'halo' of low-order uranium response extends to the north-east from the lake and may represent a possible source area. While there is no calcrete known in the lake there is extensive pedigenic calcrete throughout the area. Archer Exploration believe there is potential for the development of a calcrete style of uranium mineralisation in addition to the generally anticipated sediment-hosted or roll-front styles. Targets identified from airborne electromagnetic surveying will be explored by air-core drilling.

Within *ELA 645/06 Lake Gairdiner North*, Lake Johnstone and its associated drainage north-east into Lake Hart contain airborne uranium channel anomalies. The drainages will be mapped by airborne electromagnetic surveys and targets identified tested with air-core drilling.

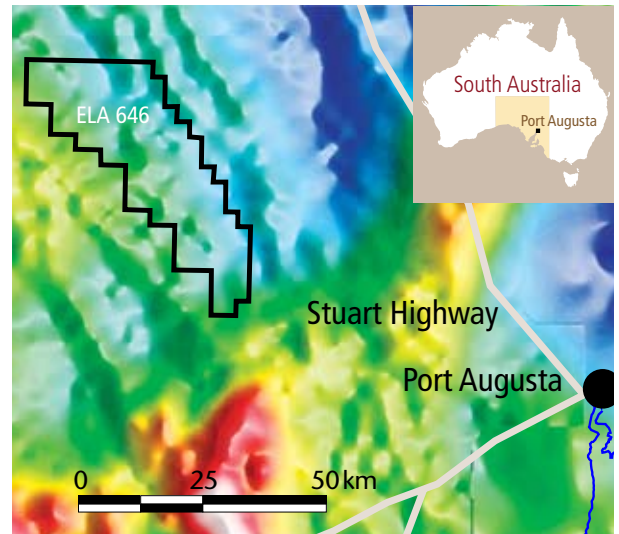
A train of playa lakes extending between Lake Macfarlane and Lake Gairdiner trends east to west through the northern part of *ELA 650/06 Lake Gairdiner South*. The target parameters are similar to those of the other palaeodrainage systems and they will similarly be explored using airborne electromagnetics to define targets for air-core drilling.

Carriewerloo Project

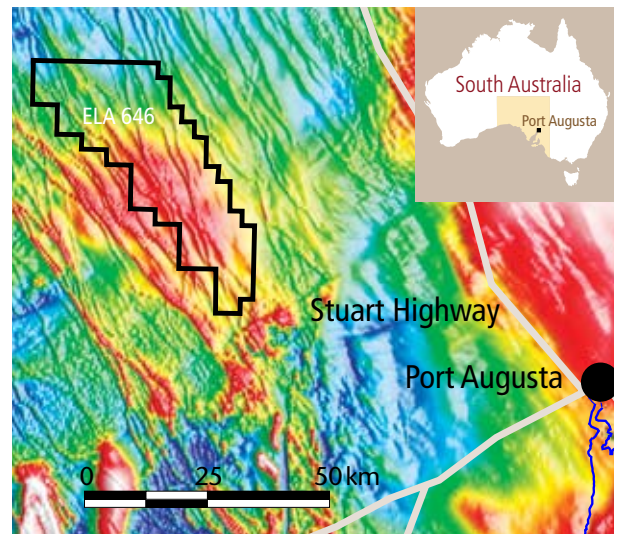
The outcrop geology within *ELA 646/06 Carriewerloo* consists predominantly of Pandurra Formation of the Carriewerloo Basin that unconformably overlies Gawler Range Volcanics. Archer Exploration considers the tenement prospective for the discovery of unconformity style uranium mineralisation.

The magnetic data indicates a possible northwest-southeast trending basement structure extending through the tenement. If this structure can be confirmed, it will provide a focus for exploration for uranium mineralisation at the Pandurra Formation - Gawler Range Volcanics unconformity.

Archer Exploration will reprocess all of the available data and conduct infill surveys to generate better data for interpretation of structural targets at the basal unconformity of the Pandurra Formation.



Carriewerloo Project:
Tenement on regional gravity image



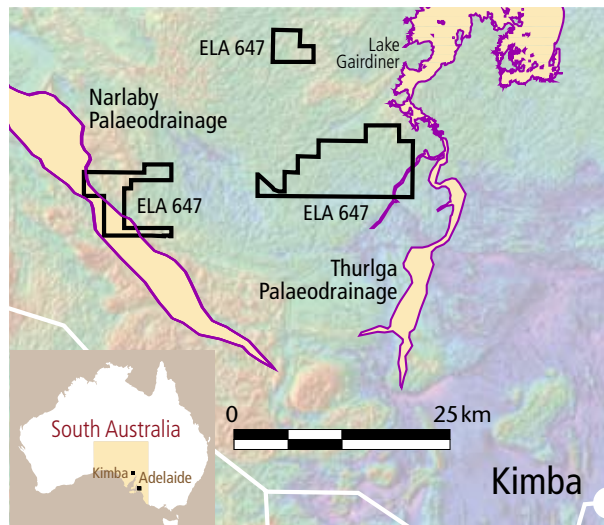
Carriewerloo Project:
Tenement on regional TMI image

South Gawler Ranges Project

ELA 647/06 *South Gawler Ranges* comprises three separate blocks lying along the southern margin of the Gawler Ranges.

The northern blocks are prospective for mineralisation associated hydrothermal activity along the margins of the carapace of Gawler Range Volcanics. They also contain sections of the headwaters of the Thurlga palaeodrainage, which is prospective for sediment-hosted and roll-front styles of uranium mineralisation.

The southern block includes a portion of the Narlaby palaeodrainage system which previous exploration demonstrated was uranium mineralised. An airborne uranium channel anomaly is present within the tenure area and will be tested by air-core drilling.

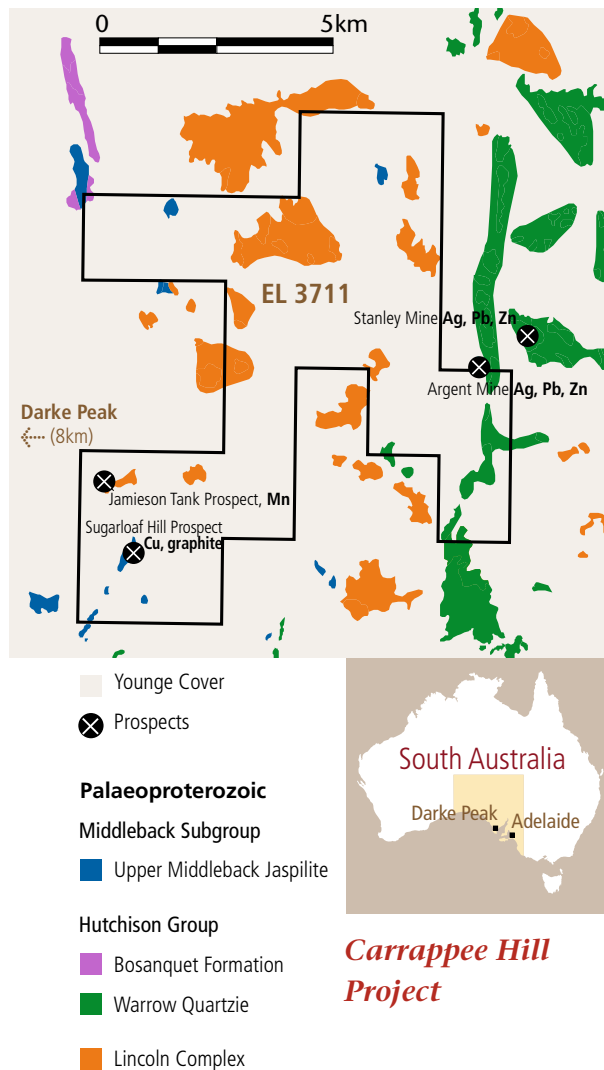


South Gawler Ranges Project:
Tenement and palaeodrainage targets on regional TMI image

Carrapee Hill Project

Exploration of the area of *EL 3711 Carrapee Hill Project* by previous tenement holders has defined a 3.5 km long surface base metal geochemical anomaly at the Sugarloaf Hill Prospect. The anomaly has been tested by shallow air-core drilling returning several strongly anomalous results. This work has established the existence of a mineralised zone with sufficient surface dimensions to contain significant mineralisation.

Archer Exploration will carry out electrical geophysical surveys to define targets within the geochemically anomalous envelope for drill testing.



Carrapee Hill Project

Directors and Management



Tom Phillips AM



Alice McCleary



Greg English

Tom Phillips AM MBA, FAICD
Chairman (non-executive)

Tom Phillips is the former Chief Executive Officer of Mitsubishi Motors Australia Ltd and prior to that a Director of Toyota Australia. Following his retirement from Mitsubishi in late 2005 he was appointed a Director of Australia Post and holds board positions with several not-for-profit organisations and private companies. He also chairs UraniumSA Limited and the South Australian Training and Skills Commission, and is the Presiding member of Safework SA and the Southern Adelaide Development Board.

Tom's extensive experience in Australian manufacturing and his knowledge of international business will be a significant asset to the Company.

Alice McCleary BEc FCA FTIA FAICD
Director (non-executive)

Alice McCleary is a Chartered Accountant and company director. She is Deputy Chancellor of the University of South Australia, and a director of Great Southern Ltd; UraniumSA Limited; TWT Group Limited; Adelaide Community Healthcare Alliance Inc (ACHA); and the SA Child, Youth and Women's Health Service.

Alice is also a member of the Takeovers Panel and the Corporations and Markets Advisory Committee. Previous appointments include board memberships of National ICT Australia Ltd, South Australian Government Financing Authority (SAFA) and National President of the Taxation Institute of Australia. She has been a tax partner in Coopers & Lybrand and was intimately involved with the Ralph Review of Business Taxation. Alice's professional interests include financial management and corporate governance.

Greg English LLB, BE (Mining)
Director (non-executive)

Greg English is a qualified mining engineer and lawyer. He is currently a partner of Watsons Lawyers and specialises in mining, commercial and securities law. He is also a qualified mining engineer, with experience on a wide variety of mining projects for MIM Limited, ETSA, Kalgoorlie Consolidated Gold Mines and Normandy Mining Limited. Greg was also a previous director of ASX listed Gawler Resources Ltd.

Greg English acquired the assets of Archer Exploration as a director of both Pirie Resources Pty Ltd and Kensington Exploration Pty Ltd, both with his own and private funding.

Greg's experience in the mining industry, particularly in capital raising, tenement acquisition, project management and business development, and his industry knowledge and business relationships, will assist Archer Exploration to manage and develop its existing tenement portfolio and to identify and secure other high quality exploration assets.

Services agreement

The purpose of the Services Agreement with UraniumSA is to enable Archer Exploration to commence its exploration and corporate activities immediately upon completion of the Offer. It is anticipated that, over time, Archer Exploration will expand its own in-house capabilities. However, the size and depth of the team which the companies build to meet their individual operational and corporate requirements will facilitate the delivery of expert, timely and cost-effective programs to both companies.

Given the nature of the contractual relationship, brief biographical details are provided for two senior staff of UraniumSA as both will be involved in the design and delivery of the Archer Exploration programs. It should be noted that neither of these staff are directors or employees of Archer Exploration.

Russel Bluck BSc MSc MAIG
Managing Director of UraniumSA

Russel Bluck is Managing Director of UraniumSA Limited.

In a career spanning 40 years, Russel has worked as a geologist on a broad range of gold, base metal, uranium, coal and iron-ore projects across Australia and New Zealand, including the Gawler Craton in South Australia.

Russel has been involved with the formation of a number of successful public companies including UraniumSA Limited, Burmine Limited and Playford Resources NL (which has evolved into the current Terramin Ltd). He was Chief Executive Officer of Global Geoscience Services Inc, a geoscience consultancy working in the Official Development Agency market.

Wade Bollenhagen BSc (Hons) (Geology)
Chief Geologist

Wade has recently been appointed Chief Geologist with UraniumSA. He has worked extensively across Australia and Africa for Australian and international companies. Wade has extensive professional expertise in all aspects of grass roots and advanced minerals exploration and hydrology.

Corporate governance

The Board is responsible for the overall corporate governance of Archer Exploration. This includes setting its strategic direction and objectives, and monitoring progress to the achievement of these goals. The Company is not of a size, nor its affairs of such complexity, that a large Board and management structure, or the establishment of separate governance committees, is warranted at this time. The Board has developed a system of corporate and management protocols that conform to all applicable regulations and standards. The conduct of the Company's affairs will be governed by these protocols under the direct oversight of the entire Board.

To the extent that they are relevant to the organisation, the Company's protocols incorporate the Ten Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council. The protocols include:

- *Continuous disclosure* - The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the ASX Listing Rules and the Corporations Act. At each Board meeting specific consideration is to be given as to whether any matters should be disclosed under the Company's continuous disclosure policy.
- *Share trading* - Directors, management and other employees as nominated will normally only be permitted to trade in securities during a four week period commencing 24 hours after the announcement to ASX of the half yearly and annual results and after the conclusion of the Company's annual general meeting, provided that the person is not in possession of price sensitive information. Any trading outside these periods can only be conducted with the prior written approval of the Chairman.
- *Related party matters* - Directors and senior management will be required to advise the Chairman of any related party contract or potential contract. The Chairman will inform the Board, and the reporting party will be required to remove himself/herself from all discussions and decisions involving the matter (unless the Directors resolve otherwise in accordance with the Corporations Act).
- A *Code of Conduct* for all Archer Exploration personnel which outlines the ethical framework in which the company will operate. This includes an overarching commitment to providing a safe work environment for all staff, and policies which embed lawful, safe and ethical behaviour into all of the Company's business dealings.

Details of the Offer

Shares offered for subscription

The Company is offering to issue 35,000,000 Shares each at \$0.20 to raise \$7,000,000, with a Minimum Subscription of 25,000,000 Shares at \$0.20 each to raise \$5,000,000, before expenses of the Offer. The Shares issued under the Offer will be fully paid and will rank equally with other Shares on issue.

The Offer consists of two components:

- a Priority Offer to Eligible UraniumSA Shareholders; and
- a Public Offer.

Subject to the terms of the Priority Offer below, the Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for. The allocation of the Shares under the Offer will be at the discretion of the Company with the assistance of the Sponsoring Broker.

Capital Structure

The capital structure of the Company at the completion of the Offer will be:

	Minimum Subscription	Maximum Subscription
Shares on issue at the date of this Prospectus	11,000,000	11,000,000
Shares offered under this Prospectus	25,000,000	35,000,000
Shares to be issued for the acquisition of the tenements ⁽¹⁾	16,418,477	16,418,477
Shares to be issued to consultants ⁽²⁾	2,000,000	2,000,000
Total	54,418,477	64,418,477

Notes

¹ Refer to page 50 of this Prospectus for details of Shares to be issued to the vendors in the tenement acquisitions.

² Refer to page 50 of this Prospectus for details of Shares to be issued to consultants.

Purpose of the Offer

The Company is raising funds under this Prospectus for the primary purposes of:

- funding the exploration and development of the Company's projects;
- administration of the Company; and

- the identification and development of business opportunities in the Australian and international mining sector.

Details of the proposed expenditure for the next two years are summarised below and further detail is provided in the Budget elsewhere in this Prospectus.

	Minimum Subscription			Maximum Subscription		
	Year 1 \$m	Year 2 \$m	Total \$m	Year 1 \$m	Year 2 \$m	Total \$m
Cash received						
Seed capital	0.604	-	0.604	0.604	-	0.604
This Offer	5.000	-	5.000	7.000	-	7.000
Cash Balance	5.604	3.217	5.604	7.604	5.206	7.604
Exploration	(1.198)	(1.556)	(2.754)	(1.198)	(2.049)	(3.247)
Administration	(0.597)	(0.592)	(1.189)	(0.597)	(0.592)	(1.189)
Cost of this Offer ¹	(0.592)	-	(0.592)	(0.603)	-	(0.603)
Working Capital	\$3.217	\$1.069	\$1.069	\$5.206	\$2.565	\$2.565

¹ This table summarises only the cash costs of the Offer. As outlined on page 20 of this Prospectus, non-cash costs relating to consulting fees have/will be satisfied by the issue of Shares and have a monetary value of \$500,000.

The Directors believe that the Company will have sufficient working capital to meet its business objectives as set out in the above table, upon completion of the Offer.

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, unforeseen circumstances, the development of new opportunities, the results from exploration and other factors (including the risk factors outlined in the Additional Information section of this Prospectus).

The Company may require further debt or equity fundraisings in the future to fund its exploration or development activities or capitalize on new opportunities which may arise

Forecasts

The Company is a mineral exploration company. Due to the speculative nature of exploration, there are significant uncertainties associated with forecasting future results or revenues from the Company's proposed activities.

The Directors believe that given these inherent uncertainties, it is not possible to include a reliable forecast in this Prospectus.

Minimum Application

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 2,500 Shares (\$500). Applications to subscribe for Shares under the Offer will only be accepted on an Application Form.

Minimum Subscription

The Minimum Subscription to the Offer is 25,000,000 Shares raising \$5,000,000 before expenses of the Offer. If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus the Company will either refund Application Money in full to Applicants or issue a supplementary prospectus and allow Applicants one (1) month to withdraw their Application and be repaid their Application Money.

No Shares will be allotted or issued until the Minimum Subscription has been achieved.

Maximum Subscription

The Company reserves the right to accept a Maximum Subscription of up to \$7,000,000 through the issue of up to 35,000,000 Shares at an issue price of \$0.20 per Share.

No underwriting

The Offer is not underwritten.

Electronic prospectus

This Prospectus can be downloaded at www.archerexploration.com.au

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's registered office before the Offer closes. The Offer constituted by this Prospectus in the electronic form is only available to persons receiving an electronic version of this Prospectus and Application Form within Australia. There is no facility for online Applications or online payment of Application Money.

Shares under this Prospectus will only be issued on receipt of an Application Form which has been published with the Prospectus.

Priority Offer to UraniumSA shareholders

Archer Exploration is offering UraniumSA Shareholders who are registered as shareholders of that company on 29 June 2007 ('Eligible UraniumSA Shareholders') the opportunity to subscribe for Shares in the Company at \$0.20 per Share, payable in full on Application.

If you are an Eligible UraniumSA Shareholder in Australia and wish to participate in the Priority Offer, you should complete the Application Form accompanying this Prospectus and attach the Priority Offer Eligibility Label sent to you by mail by UraniumSA. ***Unless the Priority Offer Eligibility Label is attached to your Application, your Application will not be considered under the Priority Offer.***

The Priority Offer will close earlier than the Public Offer. All Applications under the Priority Offer must be received by the Share Registrar by 5pm Adelaide time on Friday 20 July, 2007. Applications received after this date will be treated as Applications in the Public Offer.

A total number of up to 5,000,000 Shares will be offered under the Priority Offer.

The maximum number of Shares that can be applied for under the Priority Offer by an Eligible UraniumSA Shareholder is 125,000 Shares, amounting to \$25,000. Priority Offer Applications in excess of 125,000 Shares will not be considered under the Priority Offer. An Eligible UraniumSA Shareholder wishing to apply for more than 125,000 Shares may make a further Application for Shares under the Public Offer on a separate Application Form.

Subject to the restrictions above, Applications under the Priority Offer will be allotted on a ***first-come-first-served*** basis.

Applications from Eligible UraniumSA Shareholders in excess of the 5,000,000 Shares available under the Priority Offer will be considered as part of the Public Offer.

Applications under the Priority Offer must be made for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares up to a maximum of 125,000 Shares.

Public Offer

An Application for Shares under the Public Offer can only be made on the Application Form enclosed in this Prospectus.

Applications under the Public Offer must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares.

All Applications under the Public Offer must be received by the Share Registrar by 5pm Adelaide time on Friday 27th July 2007.

The Directors (in conjunction with the Sponsoring Broker) reserve the right to reject any Application or to allot a lesser number of Shares, than that applied for. If the number of Shares allotted is less than the number applied for, or no allotment is made, the surplus Application Money will be promptly refunded without interest.

Bonus issue of Options to Shareholders

It is proposed that a non-renounceable bonus issue of Options will be made to all Shareholders at any time up to six months after official Quotation of Shares. It is proposed that all Shareholders registered on the applicable record date will receive one Option for every two Shares held. The Options will have an exercise price of \$0.25 and will expire 2 years from the date of issue. A disclosure document will be issued when the Options are offered.

How to apply for Shares

Application Forms must be completed in accordance with the instructions set out on the back of each Application Form.

Application Forms must be accompanied by a cheque in Australian dollars for the full amount of the Application, being \$0.20 per Share. Cheques must be made payable to 'Archer Exploration Limited Share Offer Account' and should be crossed 'Not Negotiable'. All Application Money received will be paid into a trust account.

Priority Offer

To have your Application considered as part of the Priority Offer, you should lodge your completed

Application Form with your Priority Offer Eligibility Label attached, and your Application Money (in full) with the Share Registrar by no later than 5.00pm in Adelaide, South Australia on Friday 20 July 2007 (**Priority Offer Closing Date**). You should note however the Company reserves the right to close the Priority Offer at any time prior to the Priority Offer Closing Date, without notice. An Application made under the Priority Offer without the Priority Offer Eligibility Label attached will not be considered under the Priority Offer.

Public Offer

To have your Application considered as part of the Public Offer, you should lodge your completed Application Form and Application Money (in full) with Archer Exploration's Share Registrar by no later than 5.00pm in Adelaide, South Australia on Friday 27 July 2007 (**Public Offer Closing Date**). You should note however the Company reserves the right to close the Public Offer at any time prior to the Public Offer Closing Date, without notice.

Delivery

Delivery by post can be made to:

Archer Exploration Limited Share Offer
c/- Computershare Investor Services Pty Ltd
GPO Box 1903
Adelaide, South Australia, 5001.

Delivery in person can be made to:

Archer Exploration Limited Share Offer
c/- Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, South Australia, 5000

To be amended when we decide on online application process.

Condition

The Directors may close the Offer early or extend the Closing Date. However, no application for Shares under this Prospectus will be accepted later than 13 months from the Prospectus Date.

Before any Shares are issued under this Prospectus the Company must receive valid Applications for the Minimum Subscription.

It is the responsibility of Applicants to verify their allocation prior to trading Shares. Applicants who sell Shares before they receive their statements of Shareholding will do so at their own risk.

ASX listing

The Company will apply to ASX no later than 7 days from the Prospectus Date for the Company to be

admitted to the Official List of ASX and for ASX to grant official Quotation of Shares. If ASX does not grant approval for Quotation of the Shares within three months of the Prospectus Date all Application Money received by the Company from Applicants will be returned in full without interest.

Neither ASX nor ASIC take responsibility for the content of this Prospectus. The fact that ASX may admit the Company to the Official List and grant Quotation of the Shares is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

Chess and Issuer Sponsored holding statements

Upon the Company being admitted to the Official List it will be permitted to participate in CHESS in accordance with the ASX Listing Rules and the ASTC Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register, the two sub-registers together will make up the Company's principal register of securities.

The Company will not issue certificates to holders to Shareholders. Rather, holding statements (similar to bank statements) will be dispatched to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold their Shares on the CHESS sub-register) or by the Company's share registrar (for holders of securities who elect to hold their securities on the issuer sponsored sub-register). The statements will set out the number of Shares allotted to the holder and provide details of the holder's holder identification number (for holders of securities who elect to hold their securities on the CHESS sub-register) or shareholder reference number (in the case of a holding on the issuer sponsored sub-register). Updated holding statements will be sent to each Shareholder as their holding of Shares changes, and also as required by the Listing Rules and the Corporations Act.

Dividend policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

At the date of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Risk factors

Prospective investors should be aware that an investment in the Company should be considered speculative and involves a number of risks inherent

in mineral exploration. The price of Shares may rise and fall in response to the exploration and corporate activities of the Company and in response to general market activity. The Additional Information section of this Prospectus contains details of key risk factors, and it is recommended that potential investors consider these risks carefully before deciding whether to invest in the Company.

Rights and liabilities attaching to the Shares

Shares issued under this Prospectus will be issued on the same terms and conditions as Shares already on issue at the Prospectus Date. A brief outline of the rights and liabilities attaching to Shares is given in the Additional Information section of this Prospectus and a copy of the Company's Constitution can be inspected at the Company's registered office (see the Corporate Directory inside the front cover of this Prospectus).

Privacy disclosure

The Company collects information in relation to each Applicant as provided on an Application Form for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company. The Company may use or disclose the information as allowed or required by law or regulation. The information may also be used and disclosed to persons inspecting the register, including bidders for your securities in the context of take-overs, mail houses, and regulatory bodies including the Australian Taxation Office.

Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of law and that all necessary approvals and consents have been obtained.

Restricted Shares

Chapter 9 of the Listing Rules prohibits holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those securities.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

In accordance with the Listing Rules, the Directors expect ASX may classify a number of the Shares on issue at the date of this Prospectus, or issued following acquisitions of the tenements, as restricted Shares.

Withdrawal

The Directors at any time may decide to withdraw this Prospectus and the Offer, in which case the Company will return all Application Money without interest within 28 days of giving notice of the withdrawal.

Budget for the Offer

It is estimated that Archer Exploration will pay the following costs in connection with the Offer:

	<i>Minimum Subscription</i>	<i>Maximum Subscription</i>
Independent Geologist	\$5,000	\$5,000
Independent Accountant	10,000	10,000
Legal fees	42,000	42,000
Prospectus-related costs	35,000	35,000
Share registry expenses	30,000	30,000
ASX listing costs	30,000	36,000
Miscellaneous	40,000	40,000
Brokerage and advisory ¹	400,000	405,000
Total	\$592,000	\$603,000

¹This table summarises the cash costs of the Offer. As outlined in the Independent Accountant's Report of this Prospectus, certain non-cash costs relating to consulting fees have/will be satisfied by the issue of Shares with a monetary value of \$500,000.

Enquiries

This Prospectus should be read in its entirety as it provides information for potential investors to decide whether to invest in the Company. If you have any questions about the desirability of, or the procedure for, investing in the Company you should contact your stockbroker, accountant or professional adviser.

Questions relating to the Offer can be directed to the Sponsoring Broker:

Lands Kirwan Tong Stockbrokers Pty Limited
Level 12, 99 William Street
Melbourne, Victoria 3000
Phone: (03) 9629 5422
Fax: (03) 9629 7096

or

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street Adelaide SA 5000
GPO Box 1903 Adelaide SA 5001
Enquiries (within Australia): 1300 738 349
Enquiries (outside Australia): +61 3 9415 4649

or

info@archerexploration.com.au



Independent Geologist's Report

Hugh Rutter	<i>Geophysicist</i>
Geof Fethers	<i>Geologist</i>
Paul Hamlyn	<i>Geologist</i>
Michael Asten	<i>Geophysicist</i>
Ross Caughey	<i>Geologist</i>
Jovan Silic	<i>Geophysicist</i>
Gary Hooper	<i>Project Manager</i>

Tuesday, 26 June 2007

The Directors,
Archer Exploration Limited,
32 Beulah Road, Norwood,
South Australia, 5067

Dear Directors,

Independent Geologist Report for Archer Exploration Limited

At your request we have prepared this independent geological report on a group of tenements, which Archer Exploration Limited ("Archer Exploration") owns outright. The tenements are all located within South Australia and were acquired on the basis of their potential to host copper, gold and uranium mineralisation.

This report has been prepared for inclusion in a prospectus to be issued by Archer Exploration on or about Friday 29th June 2007, offering for subscription a minimum of 25 million ordinary fully paid shares at an issue price of 20 cents each to raise \$5.0 million, with provision for an oversubscription of a further 10 million ordinary fully paid Shares at an issue price of 20 cents each to raise a total of \$7.0 million.

This report has been prepared in accordance with the Code and Guidelines for assessment and valuation of Mineral Assets and Securities for Independent Expert Reports (the Valmin Code) and those rules and guidelines of the ASIC and Australian Stock Exchange, which pertain to Independent Experts' Reports. It has been prepared by Hugh Rutter.

Hugh Rutter is a director of Flagstaff GeoConsultants Pty. Ltd., ("Flagstaff"), a qualified geologist/geophysicist, a Fellow of the Australian Institute of Geoscientists and an Honorary Member of the Australian Society of Exploration Geophysicists. He has more than 40 years experience in mineral exploration.

The writer has no material interest either direct, indirect or contingent in Archer Exploration or in any of the mineral assets included in this report or in any other Archer Exploration asset, nor has any such interest existed previously. No commercial interest has existed between Flagstaff and Archer Exploration prior to their appointment to prepare this Report.

Flagstaff has had no input into the formulation of any of the mineral tenements under review. This geological report has been prepared by Flagstaff strictly in the role of an independent consulting geologist.

Fees for the preparation of this report are being charged at normal commercial rates with expenses being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusion of this document, nor on the outcome of the proposed float of Archer Exploration.

The author has worked extensively in the area where the tenements are located, but has not visited the tenements concerned. Information used in the preparation of this report has been derived from information provided by Archer Exploration and other publicly available data.

Flagstaff GeoConsultants Pty. Ltd. (ACN 074 693 637)

Suite 2, 337A Lennox Street, (PO Box 2236) Richmond South, Victoria, 3121 Australia

Phone: +61 3 8420 6230 Fax +61 3 8420 6299

Email: Hughrutter@flagstaff-geoconsultants.com.au WebSite: www.flagstaff-geoconsultants.com.au

Archer Exploration has provided programs and budgets for each of the projects for an initial two years of exploration. The Company intends to spend a total of approximately \$1.20 million in its first year of exploration, increasing to either \$1.57 million or \$2.05 million in the second year depending on the amount raised by the Prospectus. If the Minimum Subscription amount of \$5.0 million is achieved, then the proposed exploration expenditure by the Company over two years will be \$2.75 million. If the Maximum Subscription amount is raised under the offer, then the proposed exploration expenditure over two years will be \$3.28 million.

We are of the opinion that Archer Exploration has satisfactory and clearly defined exploration and expenditure programs that are reasonable having regard to its stated objectives. The programs and budgets are sufficient to carry out the proposed work and are justified by the technical information available to us and by the exploration potential of the tenements. Archer Exploration have designed and budgeted programs over two years, but they may be altered in the view of results that are obtained which could change the emphasis of current priorities.

For the purposes of Sections 731 and 733 of the Corporations Law, Flagstaff were involved in the preparation of the Independent Consulting Geologists' Report included in this Prospectus and have authorised or caused the issue of this part of the Prospectus only. Flagstaff have given consent to the issue of the Prospectus with this Independent Report included in the form and context it was provided and has not withdrawn that consent before the lodgement of the Prospectus with the Australian Securities and Investments Commission ("ASIC").

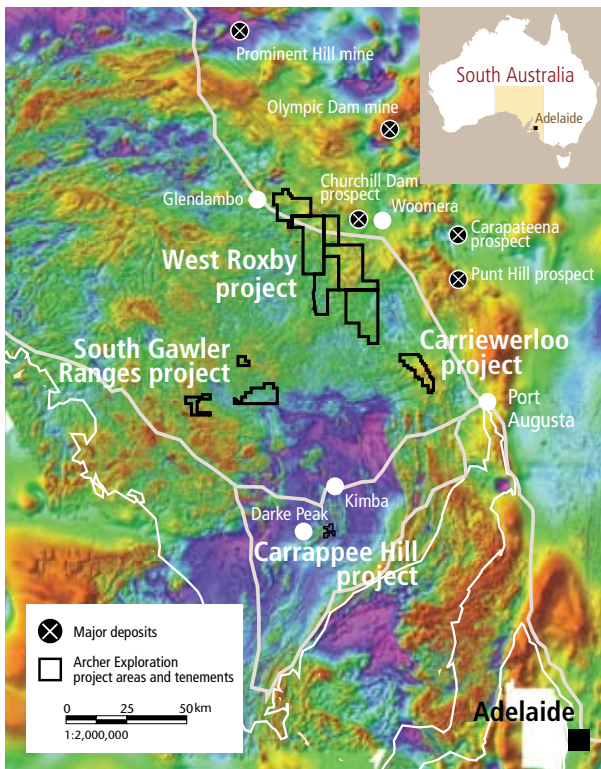
Yours faithfully,



Hugh Rutter



Independent Geologist's Report



Archer Exploration Projects on TMI image of South Australia

Executive Summary

Archer Exploration Ltd (AXE) will hold exploration and development rights over 8 properties covering a total of 5,693 km² on the central and southern Gawler Craton, in South Australia (figure inside the front cover). Archer Exploration will hold a 100% interest in all of the Company's tenements. Details of the tenements and interests held are given elsewhere in the Solicitors Report in this Prospectus.

The properties have potential for commercial discoveries of mineralisation in four different geological settings:

- Iron oxide-copper-gold (IOCG) deposits developed in Palaeoproterozoic basement rocks and occurring below laterally extensive cover sequences including Tertiary and Mesozoic rocks on the Central Gawler Craton.
- uranium mineralisation at and about unconformities at the base of the Pandurra Formation on the Central Gawler Craton.
- sediment-hosted and/or roll-front styles of uranium mineralisation in palaeochannel and playa lake sediments of Tertiary and Recent age, on the Central/Southern Gawler Craton.
- Silver-lead-zinc mineralisation in Hutchinson Group and Middleback Subgroup metasediments on the Eyre Peninsula.

The majority of Archer Exploration's tenements lie within

the Stuart Shelf area of the Gawler Craton as defined on the Metallogenic Map of Australia and Papua New Guinea (1972). This is an extremely prospective area for copper, gold and uranium mineralisation. It hosts the Olympic Dam copper/gold/uranium mine at Roxby Downs (BHP Billiton), the Prominent Hill (Oxiana) deposit where mine construction has commenced, and other major prospects such as Carapateena (Teck Cominco) and Punt Hill (Monax Mining). Historically, copper has been mined since the early part of the last century at the OK Copper Mine, Mt. Gunson and Moonta.

The most distinctive characteristic of the mineralisation at Olympic Dam, the type example of the IOCG style of mineralisation, is the high density of the host, a hematitic, brecciated granitic rock. This produces a positive gravity anomaly. A similar positive gravity anomaly is also associated with the Prominent Hill mineralisation. Therefore, gravity data is the primary exploration targeting tool in exploration for IOCG style targets in areas of no outcrop and deep cover sequences.

Archer Exploration has grouped its tenement holdings into the:

- **West Roxby Project** comprising the contiguous tenements EL's 3724, 3721, 3722 and ELA's 645/06, 650/06 located west and southwest of Woomera.
- **Carriewerloo Project** comprising a single tenement, ELA 646/06, located south of Woomera and north of Port Augusta.
- **South Gawler Ranges Project** comprising a single tenement, ELA 647/06, located west of Port Augusta
- **Carrappee Hill Project** comprising a single tenement, EL 3711, located on Eyre Peninsula.

The location of the tenement holding is shown on a map included elsewhere in this Prospectus.

In the **West Roxby Project** existing regional geophysical surveys have identified gravity anomalies that warrant follow-up exploration for IOCG style mineralisation. There is exploration potential for the development of uranium mineralisation about the base of the Pandurra Formation that unconformably overlies these prospective basement targets. Similarly, within the project area there is exploration potential for sediment-hosted and roll-front styles of uranium mineralisation in palaeochannel and playa lake settings.

The West Roxby Project area with its defined and potential gravity targets will be the main focus of Archer Exploration's initial exploration effort.

In the **Carriewerloo Project** area there are subtle magnetic and gravity features apparently sourced from within basement that warrant further investigation for mineralisation. As in the West Roxby Project area there is a potential for the development of uranium mineralisation about the base of the Pandurra Formation.

The **South Gawler Ranges Project** includes, predominantly, outcropping Gawler Range Volcanics with parts of the Thurlga and Narlaby palaeodrainages.

The **Carrappee Hill Project** comprises a single tenement covering a geochemical anomaly within Hutchinson Group and Middleback Supergroup metasediments.

The information used in the compilation of this report includes published and unpublished research papers and communications, PIRSA open file reports, and my own professional experience. There has been extensive exploration throughout the area of the Archer Exploration tenements; however, most of the previous work is not directly relevant to the concepts and targets being considered here. Where relevant information exists, it is mentioned in this report, or in the references.

West Roxby Project

Location

The West Roxby Project comprises EL 3724, 3721, 3722 and ELA's 645/06, 650/06 (both of which have been offered for grant by PIRSA). Details of the tenements and the Joint Venture are provided elsewhere in this Prospectus.

The West Roxby Project tenements form a contiguous group extending about 152 km northwest to southeast, commencing approximately 100 km southwest of Olympic Dam, running 30km southwest of Woomera ending about 100km northwest of Port Augusta. The Stuart Highway traverses the northern portion of the area.

Regional Geology

The West Roxby Project lies on the Gawler Craton, covering sections of the Gawler Range Volcanics and Harris Greenstone Domains. There is a widespread veneer of Quaternary aeolian sands, clays and playa lake sediments representing the preserved ancient remains of a Tertiary system of river channels, incised into the older rock surface. The older rock surface consists of a thin cover of Mesozoic sediments in places, overlying the Mesoproterozoic Pandurra Formation, which in turn overlies Archaean to Proterozoic crystalline basement. The Pandurra Formation is a redbed sequence, occupying the north-western margin of the Mesoproterozoic Cariewerloo Basin. The interpreted oldest rocks of the crystalline basement are Archaean mafic to ultramafic rocks of the Harris Greenstone Sequence and Palaeoproterozoic late tectonic granitoids of the Tunkillia Suite. Overlying these rocks are Mesoproterozoic Gawler Range Volcanics.

EL3721 - "Kingoonya"

The tenement is located 70km south of Woomera and 35km west of the Stuart Highway. Terrain is predominantly low vegetated ridges and dunes with Lake Macfarlane extending diagonally from southeast to northwest across the tenement.

Surface outcrop consists predominantly of Quaternary sands and lake deposits with scattered inliers of Pandurra Formation which is Upper Proterozoic in age. No drilling information could be found that intersected Basement rocks.

The area of the tenement has been covered by a PIRSA gravity survey carried out under the TEISA program. The available gravity imaging is based on data from a 2km by 2km station grid. This is sufficient to define a 70µm/sec² positive gravity anomaly with approximate dimensions of 7km by 5km located on the western shores of Lake Macfarlane. This data indicates a substantial mass of rock with increased density at depth which may be similar to that found at Olympic Dam.

The existing magnetic information is derived from an airborne survey with east-west lines spaced at 400m intervals. The contour presentation of the total magnetic intensity indicates a north-west to south-east trend of linear anomalies. Many of these will be caused by dykes at a shallower depth than the potential source of the gravity anomaly.

The gravity anomaly at Lake Macfarlane has been named the Evelyn Dam anomaly by Archer Exploration and will be the initial focus of its exploration efforts. The proposed exploration program will comprise a gravity and magnetic infill survey with stations on a 400m x 400m grid to better define this anomaly and enable a depth estimate to be calculated (a density of 3.2g/cc used in the modelling will represent rocks similar to those found at Olympic Dam). Targets defined by these geophysical surveys will be explored by systematic drill testing.

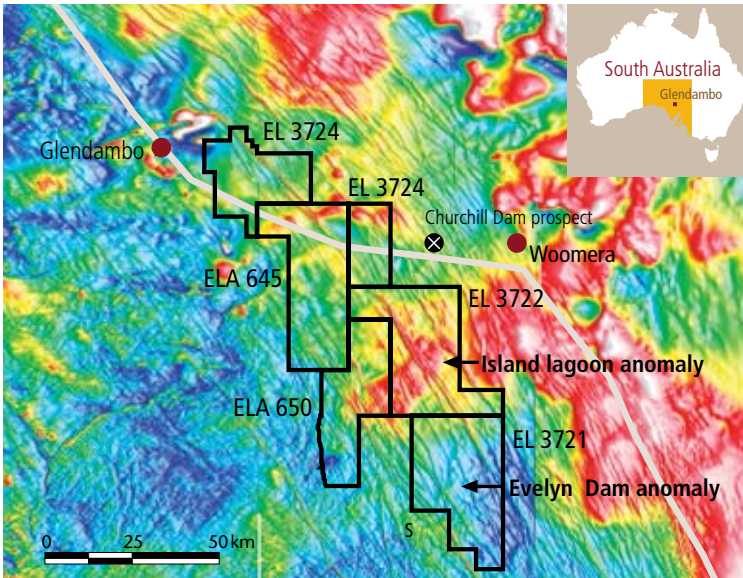
The Archer Exploration proposal to explore this area for a buried IOCG-U deposit is based on positive initial information and sound conceptual models. While the Evelyn Dam anomaly requires further work to define drill targets it has good geophysical attributes and constitutes an excellent exploration target.

Lake Macfarlane, which extends diagonally from southeast to northwest across the tenement, may be prospective for sediment hosted uranium mineralisation. Exploration for sediment hosted uranium in lake systems in South Australia is at a very early stage and the systematic work proposed by Archer Exploration will optimise its opportunities for success. Archer Exploration propose to fly an airborne electromagnetic survey around Lake Macfarlane and its associated drainages to map facies changes and associated palaeochannel systems to assist in targeting exploration including air core drilling.

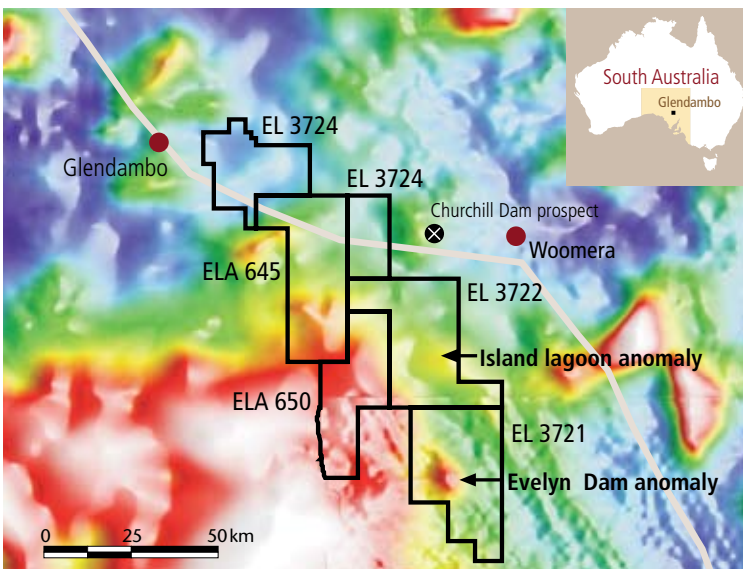
EL3722 - "Andamooka"

The tenement is located 21km southwest of Woomera and 8km south of the Stuart Highway. Terrain is predominantly low vegetated ridges and dunes with Island Lagoon extending into the tenement from the east.

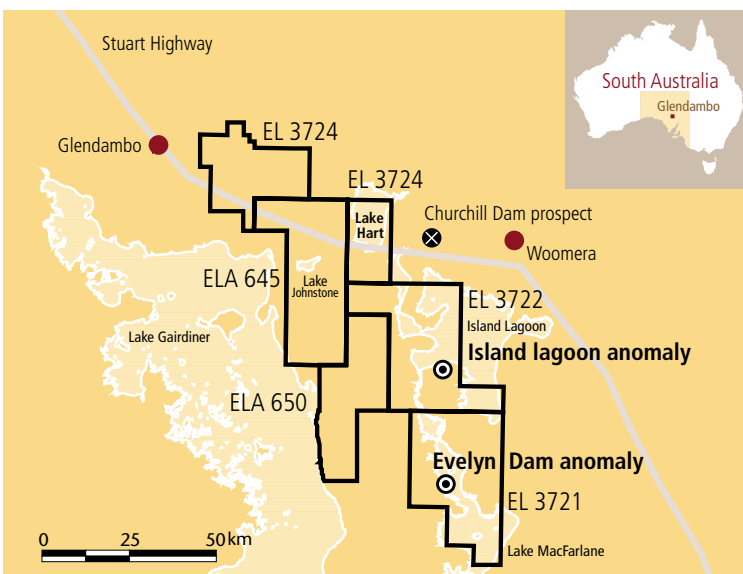
Surface outcrop consists of Quaternary sands and lake deposits with some Tertiary silcretes. There are also scattered inliers of Pandurra Formation. No drilling information could be located from within the tenement that indicated a depth to basement. Drill hole CHRCD-001 drilled some 12km north of the northern boundary is reported to have intersected 130m of brecciated and hematite altered Gawler Range Volcanics from 836m (Venture Minerals Ltd, ASX release dated Wednesday 14 February 2007).



Tenement on regional TMI image



Tenement on regional Gravity image



Tenement with Lakes and palaeodrainage systems

The tenement is predominantly north of the area covered by the PIRSA/TEISA geophysical survey and the gravity imaging and contouring is based on data from stations with a variable separation of up to 5km or greater. The sparse gravity data are sufficient to provide the initial definition of a positive gravity of the south-western shore of Island Lagoon (the Island Lagoon anomaly). In the existing data the Island Lagoon gravity anomaly has a residual amplitude of 50µm/sec² and has a potential lateral dimension of 10km x 7km.

The magnetic information is derived from an airborne survey with east-west lines spaced at 400m intervals. The contour presentation of the total magnetic intensity indicates a north-west to south-east trend of linear anomalies. Many of these will be caused by dykes at a shallower depth than the potential source of the gravity anomaly.

The concept of exploring this area for buried IOCG-U deposits is based on reasonable evidence and sound conceptual models. Archer Exploration propose to focus on defining and upgrading the Island Lagoon anomaly to define drill targets, and identify other gravity anomalies in the area. This will be achieved by infilling the existing gravity and magnetic data with a 1600m x 1600m grid overall and further defining resulting anomalies with a 400m x 400m grid to define drillable targets. This work will enable the Island Lagoon anomaly to be modelled to estimate the depth to a rock mass potentially similar to that at Olympic Dam.

The Island Lagoon lake system, which dominates the eastern portion of the tenement, is prospective for roll-front and sediment hosted uranium mineralisation. Archer Exploration propose to fly an airborne electromagnetic survey around Island Lagoon and its associated drainages to map facies changes around the lake and associated palaeochannel systems to assist in targeting exploration air core drilling.

EL3724 - "Woomera"

The exploration licence is in two parts. The eastern part lies 36km west of Woomera with Highway One extending east-west across the lower half. This portion of the tenement is dominated by Quaternary sands and lake sediments in and about Lake Hart with some Tertiary silcrete; there is some scattered outcrop of Tent Hill Formation (Upper Adelaidean in age). One kilometre to the east of the eastern boundary drill hole LH-1 (1997, Dampier Mining Company, Env 03022) terminated in Pandurra Formation at a depth of 443.2m. Drill hole CHRCD-001 drilled 12km east of the eastern boundary is reported to have intersected 130m of brecciated and hematite altered Gawler Range Volcanics from 836m (Venture Minerals Ltd, ASX release dated Wednesday 14 February 2007).

The western part of the EL lies 63km west-northwest of Woomera with Highway One extending across its southern portion. Cover consists of Quaternary clays with some silcretes and areas of Mesozoic sands and grits.

There is only regional gravity coverage available with imaging and contouring based on data from stations with a variable separation of up to 5km or greater. This data density has not defined any positive gravity anomaly. However, there is potential for such an anomaly in the north-west of the western part of the EL. Infill gravity is proposed to check this possibility. The airborne magnetic data outlines the north-west to south-east trending anomalies which are probably shallow thin dykes.

There is potential for a positive gravity anomaly to be defined in the north-west which could represent dense rocks similar to those occurring at Olympic Dam. Archer Exploration propose to infill the existing gravity and magnetic data with a 1600m x 1600m grid and infill over anomalies with a 400m x 400m grid to define and model targets for systematic drill testing.

Lake Hart is associated with an anomalous uranium response located by an airborne geophysical survey. Uranium could be associated with shallow palaeochannels and possibly slightly deeper, with a roll-front feature. Archer Exploration propose to fly an airborne electromagnetic survey around Lake Hart to map facies changes and palaeochannel systems to assist in targeting exploration air core drilling.

ELA 645/06 - "Lake Gairdner North"

The tenement is located 48 km west of Woomera and is crossed by the Stuart Highway.

The surface geology consists of Quaternary sands, clays and lake sediments with occasional outcrop of Pandurra and Tent Hill Formation, which is Upper Proterozoic in age.

Gravity imaging and contouring within the tenement is based on data from stations with a variable separation of up to 5km or greater. The sparse gravity data is sufficient to indicate three residual anomalies with amplitudes of 30µm/sec², 30µm/sec² and 40µm/sec². The drill-hole LH-2 (4km south-east of Lake Johnstone, 1997, Dampier Mining Company, Env 03022) was drilled to a depth of 507.15m and terminated in Pandurra Formation; it was collared more than 10km from any of these features.

The magnetic information is derived from an airborne survey with east-west lines spaced at 400m intervals. The contour presentation of the total magnetic intensity indicates a north-west to south-east trend of linear anomalies which appear shallow and unrelated to the potentially deep source of the gravity data.



Additional gravity is required to define the three anomalies already identified, each of which has the potential to be caused by dense rocks similar to those found at Olympic Dam. Archer Exploration proposes a program of gravity surveying to define the anomalies identified in the existing regional survey and to locate others within the area. Gravity anomalies will be identified, modeled, evaluated and ranked for systematic drill testing.

The shallower Quaternary and Tertiary sediments have the potential to host uranium mineralisation associated with palaeochannels. Archer Exploration propose to fly an airborne electromagnetic survey over interpreted palaeochannel positions within the tenement to assist in targeting exploration air core drilling.

ELA 650/06 - "Lake Gairdner South"

The Lake Gairdner South tenement is located 42 km southwest from Woomera.

The surface geology consists of Quaternary sands and clays with some Tertiary silcretes. There is also scattered outcrop of Pandurra Formation.

The southern half of the tenement has been covered by the PIRSA/TEISA gravity survey, the area to the north having regional stations with a variable separation of up to 5km or greater. The TEISA data shows an undulating pattern of low amplitude, low frequency, anomalies. To the north within the regional data set, there are two poorly defined residual gravity anomalies with amplitudes of between $20\mu\text{m}/\text{sec}^2$ and $30\mu\text{m}/\text{sec}^2$. The airborne magnetic data across the area defines features with a north-west to south-east trend which may be shallower than the anticipated depth of the denser rocks causing the gravity anomalies. Relatively deep drilling (<500m) in this area failed to intersect basement.

Archer Exploration has proposed a program of gravity surveying at 1,600m stations closing to 800m and 400m to define the anomalies identified in the regional data set and identify others in the area. Targets identified will be modeled and priority ranked for drill testing.

A train of playa lakes extending between Lakes Macfarlane and Gairdner crosses the northern part of the tenement, entering from EL 3722 in the east and into ELA 645/06 to the west. The shallower Quaternary and Tertiary sediments within this feature are interpreted to represent a palaeodrainage with the potential to host uranium mineralisation. Archer Exploration propose to fly an airborne electromagnetic survey over the interpreted palaeochannel position within the tenement to assist in targeting exploration air core drilling.

Carriererloo Project

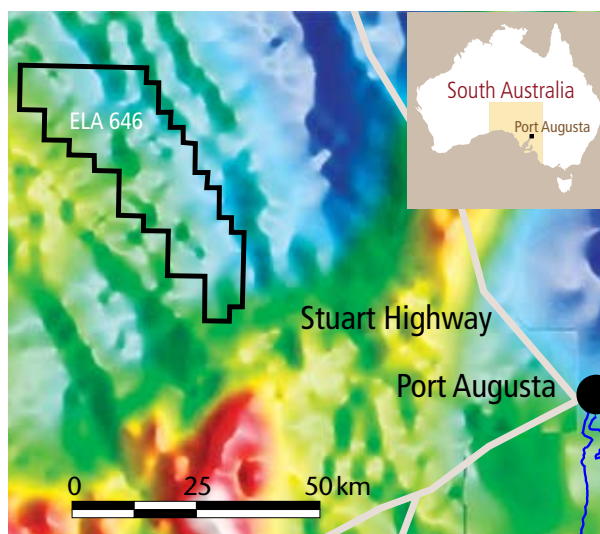
ELA 646/06 - "Carriererloo"

The tenement area is located 75 km northwest of Port Augusta and 25km west of the Stuart Highway. The outcrop geology consists predominantly of Pandurra Formation.

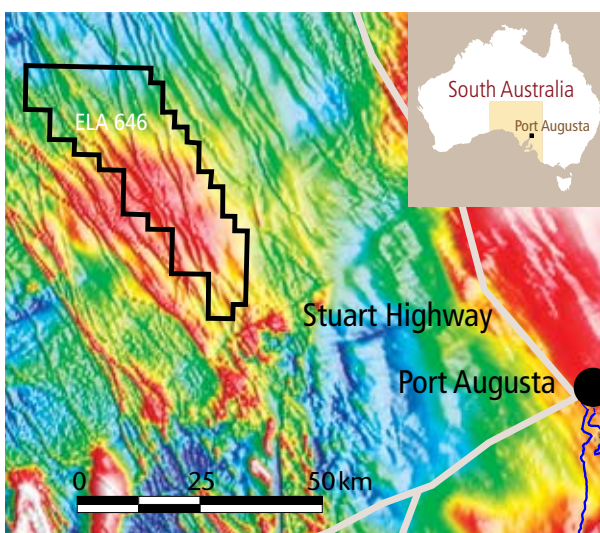
The tenement area was covered by the PIRSA/TEISA gravity survey imaging of which defines a NW-SE striking gradient with higher values to the west indicating a change of rock at depth. Low amplitude residual gravity anomalies occur within the area of the EL.

The airborne magnetic data identifies a series of northwest-southeast striking linear features which have the appearance of being caused by magnetic dyke material at a relatively shallow depth. Target identification is difficult with only the existing information.

Archer Exploration has proposed a program of gravity and ground magnetic surveying to generate better data for interpretation of structural targets at the basal unconformity of the Pandurra Formation.



Tenement on regional TMI image



Tenement on regional gravity image

South Gawler Range Project

ELA647/06 - "South Gawler Ranges"

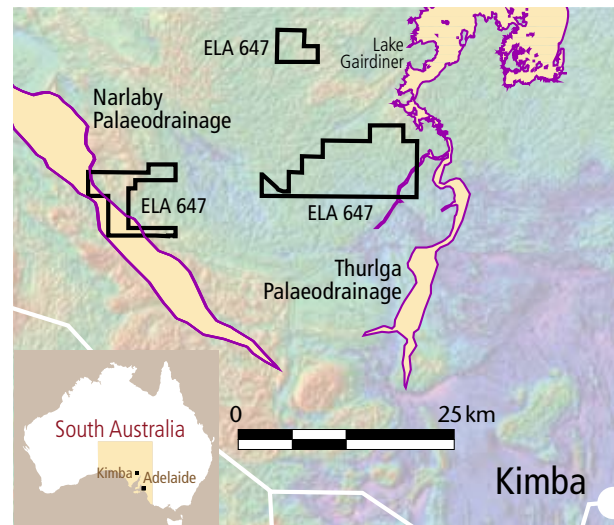
The tenement comprises three separate blocks located 175km west of Port Augusta and 90km northwest of Kimba. Terrain is a mixture of rocky hills consisting of exposed sheets of Gawler Range Volcanics with incised modern drainage systems.

The area is covered by regional scale gravity data generally with a station spacing of 5km or more. The airborne magnetic data was acquired on 400m line separation and is adequate for the initial interpretation; the associated airborne radiometric data will require reprocessing. There has been a limited amount of drilling across the south-western tenement block within the Narlaby drainage system (1977, Carpentaria Exploration Co Pty Ltd, Env 03420 and 1989, CRA Exploration Pty Ltd, Env 06459).

The northern and northeastern tenement blocks are dominated by outcrop of Gawler Range Volcanics with phases of Hiltaba Suite Granites. The modern Thurlga drainage system and its palaeodrainage analogue occur within the northeastern block. There has been very limited exploration of these northern and northeastern parts of the tenement.

The southern tenement block is on plains country south of the Gawler Ranges and overlies parts of the modern Narlaby drainage system and its palaeodrainage analogue. The only drilling is confined to a road profile across parts of the Narlaby palaeodrainage within this southern block.

Archer Exploration intends to explore for mineralisation within the Gawler Range Volcanics and Hiltaba intrusive, and to test the palaeodrainage systems. The regional gravity data will be in-filled, initially to 1.6km centres with subsequent in-fill to 800m and/or 400m centres as required. Reprocessing of the available airborne data will be carried out and the benefit of acquiring new data evaluated. Air core drilling will be carried out to explore the palaeodrainages focussing on areas of uranium channel anomalousness apparent in the available airborne data.



South Gawler Ranges Project:
Tenement and palaeodrainage targets
on regional TMI image



Carrappee Hill Project

EL3711 - "Carrappee Hill"

The tenement is located in agricultural country on Eyre Peninsula 30km south of Kimba and 10km east of Darke Peake.

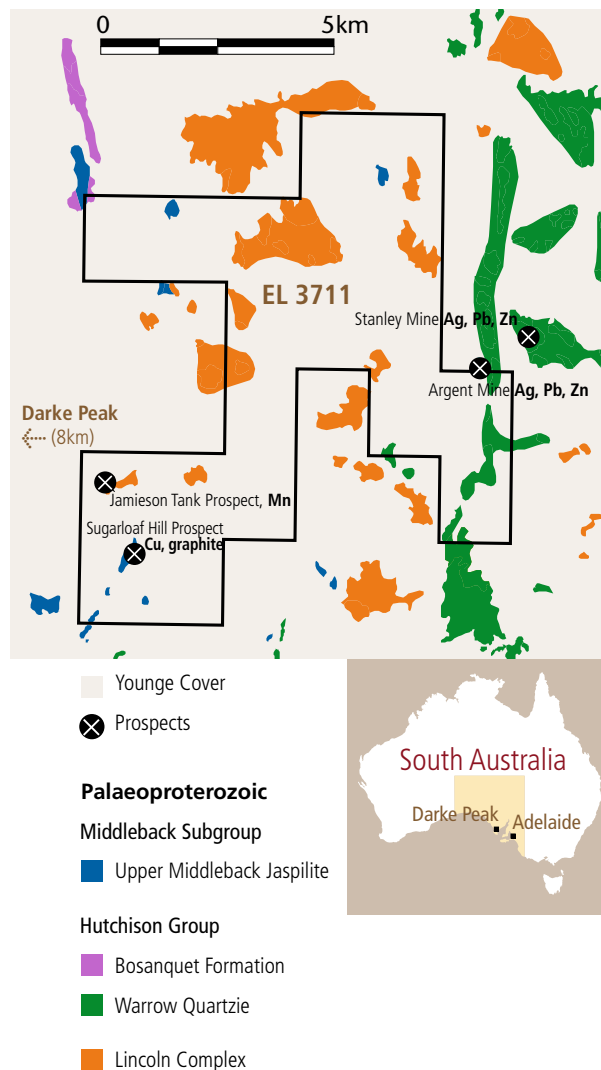
The tenement is underlain by Palaeoproterozoic rocks of the Lincoln Complex, Upper Middleback Jaspilite (Middleback Subgroup), Warrow Quartzite and Bosanquet Formation (Hutchison Group). Historic mines and prospects in the district include silver-lead-zinc mineralisation within Hutchison Group metasediments, commonly adjacent to Middleback Supergroup rocks. The best known of the historic mines is Atkinson (not within the tenement) which was discovered in 1912; mining ceased 1927 and grades of 6-21% Ag, 58% Pb and 3.4% Cu are reported. The Stanley and Argent mines which lie just outside the tenement are of this style.

The imaging of the available airborne geophysical data over the tenement area is of relatively poor quality and the raw data should be accessed and reprocessed. The area has been moderately well covered by regional calcrete sampling and the resulting geochemical anomalies have been drill tested (Goldstream and Helix, below).

In 1997, Goldstream Mining NL (Env 09333) explored part of the tenement identifying a gold-in-calcrete anomaly at Sugarloaf Hill which was tested by 19 RAB holes (911m) with a best result of 1.0m with 1.3ppm Au (from 7 to 8m in hole 97P013).

In 2000, Helix Resources Ltd (Env 09269) followed up the Goldstream work delineating a coherent north-east striking Au-Cu-Zn-Pb anomaly at Sugarloaf Hill about 3.5km long and 300m wide (400m by 200m grid, maximum 56ppb Au, 305ppm Cu, 485ppm Pb). The feature was tested by 38 RAB inclined and vertical holes (1,906m) intersecting chloritised, graphitic and sulphidic rocks – 9 holes were anomalous in silver with the best intersection of 13.0m with 12.32ppm Ag (12 to 25m in hole SLR006).

Archer Exploration considers that the surface geochemistry and initial drilling at Sugarloaf Hill has identified a significant mineralised zone which warrants further investigation. Following a recompilation of all of the existing data electrical geophysics will be used to identify targets within the geochemically anomalous envelope for drill testing.



References

Geological Survey of South Australia, 2004. Geoscientific GIS dataset, South Australia. Department of Primary Industries and Resources. July 2006 release CD.

Metallogenic Map of Australia and Papua New Guinea (1972). Bureau of Mineral Resources, Geology and Geophysics, Canberra, Australia. Compiled by R. G. Warren with the co-operation of State Geological Surveys and Mines Departments; drawn by R. A. Swoboda.

The principal source of information has been unpublished PIRSA open file reports which are noted as "Env" numbers in the text.



Independent Accountant's Report

21 June 2007

The Board of Directors
Archer Exploration Limited
32 Beulah Road
Norwood SA 5062

Dear Directors,

Independent Accountant's Report on reviewed historical financial information

Introduction

We have prepared this Independent Accountant's Report ("report") on the historical information of Archer Exploration Limited ("the Company") for inclusion in a Prospectus dated on or about 29 June 2007 relating to the following proposed transaction:

- Pursuant to this prospectus, the Company offers for subscription 25,000,000 ordinary shares at an issue price of \$0.20 each to raise \$5,000,000 with the right to accept oversubscriptions of up to a further \$2,000,000 (10,000,000 ordinary shares). All amounts are payable in full on application.

Expressions referred to in the Prospectus have the same meaning in this report.

Background

The Company was incorporated on 16 February 2007 as an unlisted public company limited by shares.

Since its incorporation the objective of the Company has been to acquire uranium, gold and base metal tenements in the Gawler Craton.

The Company has undertaken the following transactions:

Since incorporation;

- Issued 4,000,000 ordinary shares to the Directors and promoters of the Company to raise \$4,000;
- Raised \$600,000 through the issue of 6,000,000 ordinary shares to seed investors. These funds are to be used for the working capital requirements of the Company through to listing on the Australian Securities Exchange (ASX);
- Issued 1,000,000 ordinary shares to UraniumSA Ltd, a director related entity, with a fair value of \$100,000 for work performed in facilitating the initial public offering.

Contingent upon the successful listing of the Company on the ASX;

- Pursuant to a share sale agreement dated 27 March 2007 (as amended), the Company will acquire 100% of the issued capital of Kensington Exporation Pty Ltd. In consideration the company will issue 9,418,477 ordinary shares with a fair value of \$1,883,695;

Level 1
67 Greenhill Road
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
DX 275 Adelaide
T (08) 8372 6666
F (08) 8372 6677
E info@gttsa.com.au
W www.grantthornton.com.au

Grant Thornton South Australian Partnership ABN 27 244 906 724

An independent South Australian partnership entitled to trade under the name Grant Thornton.
Grant Thornton is a trademark owned by Grant Thornton International and used under licence by independent firms and entities throughout the world

- Pursuant to a share sale agreement dated 27 March 2007, the Company will acquire 100% of the issued capital of Pirie Resources Pty Ltd. In consideration the company will issue 7,000,000 ordinary shares with a fair value of \$1,400,000; and
- The Company will issue 2,000,000 ordinary shares with a fair value of \$400,000 to Tigermoth Investments Ltd pursuant to a Professional Services Agreement dated 23 March 2007 in consideration for consulting services rendered in relation to the capital raising of the company.

Historical and Pro-forma information

The historical and pro-forma financial information ("together referred to as the financial information") set out on pages 33 to 40 of this report comprises:

- The Interim Income Statement for the period from incorporation to 18 May 2007;
- The Interim Balance Sheet as at 18 May 2007;
- The Interim Cashflow Statement for the period from incorporation to 18 May 2007;
- The Interim Statement of Changes in Equity for the period from incorporation to 18 May 2007;
- The pro-forma Balance Sheet as at 18 May 2007, based on the assumption that the transactions contemplated in the prospectus have been completed at 18 May 2007; and
- Notes to the reviewed, interim and pro-forma financial information.

Scope

You have requested Grant Thornton South Australian Partnership ("Grant Thornton") prepare a report covering the following information:

- The interim historical performance of the Company for the period from incorporation to 18 May 2007; and
- The interim historical Balance Sheet as at 18 May 2007 and the Pro-forma Balance Sheet as at 18 May 2007, which assumes completion of the contemplated transactions disclosed in the Prospectus and the transactions which have occurred subsequent to 18 May 2007 which have been detailed above.

The interim historical information set out on pages 33 to 40 has been extracted from the reviewed records of the Company for the period from incorporation to 18 May 2007.

The Directors of Archer Exploration Limited are responsible for the preparation and presentation of the financial information included in this report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the financial information.

We have conducted our review of the financial information including the pro-forma adjustments in accordance with the Australian Auditing Standard ASRE 2410 "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity." We have made such enquiries and performed such procedures as we in our professional judgement, consider reasonable in the circumstances including:

- analytical procedures on the interim financial performance of the Company for the relevant historical period;
- a review of accounting records, work papers and other documents;
- a review of the assumptions used to compile the pro-forma Balance Sheet;
- a review of adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles of the applicable financial reporting framework and the accounting policies adopted by the Company; and
- enquiry of directors, management and other persons directly responsible for financial and accounting matters.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit and accordingly we do not express an audit opinion.

Review Statement on Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the interim historical financial information set out on pages 33 to 40 does not present fairly the historical financial position of the Company as at 18 May 2007 and its historical performance and cash flows for the period from incorporation to 18 May 2007, in accordance with, in all material respects, the applicable financial reporting framework and the accounting policies adopted by the Company; and
- the pro-forma Balance Sheet as at 18 May 2007 has not been properly prepared on the basis of the pro-forma transactions.

Subsequent Events

Since the 18 May 2007 and to the date of this report the Company has incurred costs associated with the production of this prospectus and managing of the company's assets.

Apart from the matters dealt with in this report and having regard to the scope of our review, to the best of our knowledge and belief, no material transactions or events outside the ordinary business of the Company have come to our attention that require comment on or adjustment to the information referred to in our report or that would cause such information to be misleading or deceptive.

Independence and Disclosure of Interest

Grant Thornton does not have any interest in the outcome of this issue other than for the preparation of this report and for acting as auditors of the Company for which normal professional fees will be received.

Yours faithfully

GRANT THORNTON

South Australian Partnership

Chartered Accountants



S J GRAY

Partner

ARCHER EXPLORATION LIMITED

ACN 123 993 233

INTERIM INCOME STATEMENT

FOR THE PERIOD FROM INCORPORATION TO 18 MAY 2007

	<i>Reviewed</i> <i>18 May 2007</i>
	\$
Revenue	10
Total Revenue	<u>10</u>
Expenses	
Office expenses	752
Incorporation costs	760
Other expenses	47
Profit from ordinary activities before income tax expense	<u>(1,549)</u>
Income tax expense	-
Profit from ordinary activities after income tax expense	<u>(1,549)</u>

The above interim income statement should be read in conjunction with the accompanying notes.

ARCHER EXPLORATION LIMITED

ACN 123 993 233

**INTERIM BALANCE SHEET AND PRO FORMA
BALANCE SHEET AS AT 18 MAY 2007**

		<i>Reviewed</i>	<i>Un-audited Pro Forma Minimum Subscription</i>	<i>Un-audited Pro Forma Maximum Subscription</i>
	<i>Note</i>	<i>18 May 2007</i>	<i>18 May 2007</i>	<i>18 May 2007</i>
		\$	\$	\$
CURRENT ASSETS				
Cash		599,629	5,010,606	6,999,606
Trade and other receivables		75	75	75
Prepaid capital raising expenses		2,777	-	-
TOTAL CURRENT ASSETS		602,481	5,010,681	6,999,681
NON CURRENT ASSETS				
Exploration assets	3	-	3,303,495	3,303,495
TOTAL NON CURRENT ASSETS		-	3,303,495	3,303,495
TOTAL ASSETS		602,481	8,314,176	10,303,176
CURRENT LIABILITIES				
Trade and other payables		30	30	30
TOTAL CURRENT LIABILITIES		30	30	30
TOTAL LIABILITIES		30	30	30
NET ASSETS		602,451	8,314,146	10,303,146
SHAREHOLDERS EQUITY				
Issued capital	4	604,000	8,693,295	10,689,795
Retained earnings		(1,549)	(379,149)	(386,649)
TOTAL SHAREHOLDERS EQUITY		602,451	8,314,146	10,303,146

The interim balance sheet and pro-forma balance sheets should be read in conjunction with the accompanying notes.

ARCHER EXPLORATION LIMITED

ACN 123 993 233

INTERIM CASFLOW STATEMENT

FOR THE PERIOD FROM INCORPORATION TO 18 MAY 2007

Reviewed
Period ended
18 May 2007
\$

Operating activities

Payments to suppliers	(1,604)
Interest received	10

Cash inflows/(outflows) from operating activities

(1,594)

Investing activities

Payments made for exploration activities	-
--	---

Cash inflows/(outflows) from investing activities

-

Financing activities

Proceeds from the issue of shares	604,000
Payments for share issue costs	(2,777)

Cash inflows/(outflows) from financing activities

601,223

Net increase/(decrease) in cash	599,629
---------------------------------	---------

Cash at the beginning of the period	-
-------------------------------------	---

Cash at the end of the period

599,629

ARCHER EXPLORATION LIMITED

ACN 123 993 233

**INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 18 MAY 2007**

	<i>Ordinary Shares</i>	<i>Retained Earnings</i>
	\$	\$
Balance at incorporation	-	-
Loss attributable to members of the Company	-	(1,549)
Ordinary shares issued during the period to the founders and promoters of the offer	4,000	-
Ordinary shares issued during the period to seed capitalists	600,000	-
Balance at 18 May 2007 (Reviewed)	604,000	(1,549)
Pro-forma transactions		
Ordinary shares issued during the period to UraniumSA Ltd for work performed facilitating the preparation of the Company's IPO prospectus	100,000	-
Issue of 25,000,000 ordinary shares pursuant to this prospectus - Minimum subscription	5,000,000	-
Ordinary shares issued to the existing shareholders of Pirie Resources pursuant to a share sale agreement	1,400,000	-
Ordinary shares issued to the existing shareholders of Pirie Resources pursuant to a share sale agreement	1,883,695	-
Issue of 2,000,000 ordinary shares in the Company to Tigermoth Investments Ltd pursuant to a Corporate Advisory agreement in consideration for services rendered in relation to the capital raising	400,000	-
Expenses of the offer	(992,000)	(80,000)
Deferred tax assets associated with the expenses of the offer written off - <i>Refer Note 2</i>	297,600	(297,600)
Pro-forma transactions - Minimum Subscription - 18 May 2007	8,693,295	(379,149)
Issue of an additional 10,000,000 ordinary shares - Maximum subscription including over subscriptions	2,000,000	-
Expenses of the offer	(5,000)	(6,000)
Deferred tax assets associated with the expenses of the offer written off - <i>Refer Note 2</i>	1,500	1,500
Pro-forma transactions - Maximum subscription - 18 May 2007	10,689,795	(386,649)

The Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

ARCHER EXPLORATION LIMITED

ACN 123 993 233

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 18 MAY 2007

Note 1 - Statement of Significant Accounting Policies

The financial information has been prepared in accordance with the measurement but not all of the disclosure requirements of Australian Accounting Standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations. In the view of the Directors of Archer Exploration Limited ("the Company"), the omitted disclosures would provide no further relevant information to potential investors.

a) Basis of Preparation

The Company has prepared financial statements in accordance with the Australian Accounting Standards.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

b) Principles of Consolidation

A controlled entity is any entity Archer Exploration Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

All inter-company balances and transactions between entities, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included / excluded from the date control was obtained or until the date control ceased.

c) Income Tax

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

ARCHER EXPLORATION LIMITED

ACN 123 993 233

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 18 MAY 2007

Note 1 - Statement of Significant Accounting Policies (Continued)

d) Exploration Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

e) Incorporation

The company was incorporated on 16 February 2007.

f) Contributed equity

Issued capital is recognised at the fair value of the consideration received by the company.

Any capital raising costs are initially recognised as a prepaid expense and offset directly against equity as a reduction of the share proceeds on receipt.

g) Equity - settled compensation

Shares and share options issued as part of employee's remuneration payments or to other counterparties in return for goods and services are measured at the more readily determinable fair value of good / service or the fair values of the equity instrument. The fair value of the equity instrument is determined by application of the Black-Scholes methodology.

Where the grant date and the vesting date are different the total expenditure will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Note 2 - Basis Of Preparation Of The Pro-forma Balance Sheet

The Pro-Forma Balance Sheet has been prepared from the Reviewed Balance Sheet adjusted for the following transactions as if they had taken place on 18 May 2007:

2.1 Assuming Minimum subscription

- The issue of 25,000,000 ordinary shares pursuant to this prospectus to raise \$5,000,000, less associated capital raising costs estimated to be \$1,072,000. Of the total capital raising costs \$992,000 has been directly off-set against capital raised (\$694,400 net of tax) with the remaining amount, \$80,000, expensed through the income statement;
- Pursuant to a share sale agreement dated 27 March 2007 (as amended), the Company will issue 9,418,477 ordinary shares with a fair value of \$1,883,695 in consideration for 100% of the issued capital of Kensington Resources Pty Ltd;

ARCHER EXPLORATION LIMITED

ACN 123 993 233

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 18 MAY 2007****Note 2 - Basis Of Preparation Of The Pro-forma Balance Sheet (Continued)**

- Pursuant to a share sale agreement dated 27 March 2007, the Company will issue 7,000,000 ordinary shares with a fair value of \$1,400,000 in consideration for 100% of the issued capital of Pirie Resources Pty Ltd;
- The issue of 1,000,000 ordinary shares with a fair value of \$100,000 to UraniumSA Ltd, a director related entity, in consideration for work performed in facilitating the preparation of the Company's prospectus. The fair value of the shares is included in the capital raising costs noted above; and
- The issue of 2,000,000 ordinary shares with a fair value of \$400,000 to Tigermoth Investments Ltd pursuant to a Professional Services Agreement dated 23 March 2007. The fair value of the consulting fees are included in the capital raising costs noted above.

2.2 Assuming Maximum subscription

- The issue of an additional 10,000,000 ordinary shares at \$0.20 per share, to raise a further \$2,00,000, less additional capital raising costs estimated to be \$5,000 (\$3,500 net of tax).

	<i>Reviewed</i>	<i>Un-audited Pro Forma Minimum Subscription</i>	<i>Un-audited Pro Forma Maximum Subscription</i>
	<i>18 May 2007</i>	<i>18 May 2007</i>	<i>18 May 2007</i>
	\$	\$	\$

Note 3 - Exploration Assets

Exploration expenditure	-	3,303,495	3,303,495
-------------------------	---	-----------	-----------

Note 4 - Contributed Equity

	Number of shares issued	\$
Paid up capital		
Ordinary shares issued to founding shareholders	4,000,000	4,000
Ordinary shares issued during the period ended 18 May 2007 to seed capitalists	6,000,000	600,000
Balance as at 18 May 2007 - Reviewed	10,000,000	604,000
Issue of 25,000,000 ordinary shares pursuant to this prospectus - Minimum subscription	25,000,000	5,000,000
Ordinary shares issued to the existing shareholders of Pirie Resources pursuant to a Share Sale Agreement	7,000,000	1,400,000
Ordinary shares issued to the existing shareholders of Pirie Resources pursuant to a Share Sale Agreement	9,418,477	1,883,695

(Continues overleaf)

ARCHER EXPLORATION LIMITED

ACN 123 993 233

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 18 MAY 2007****Note 4 - Contributed Equity (Continued)**

	Number of shares issued	\$
Issue of 1,000,000 ordinary shares to UraniumSA Ltd in consideration for work performed in facilitating the preparation of the Company's prospectus	1,000,000	100,000
Issue of 2,000,000 ordinary Shares to Tigermoth Investments Ltd pursuant to a Corporate Advisory agreement in consideration for services rendered in relation to the capital raising.	2,000,000	400,000
Capital raising costs (net of tax)	-	(694,400)
Proforma balance at 18 May 2007 - Minimum Subscription	54,418,477	8,693,295
Issue of a further 10,000,000 ordinary shares to Maximum subscription	10,000,000	2,000,000
Capital raising costs (net of tax)	-	(3,500)
Proforma balance at 18 May 2007 - Maximum Subscription	64,418,477	10,689,795

Note 5 - Expenditure Commitments

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature or amount of future expenditure. It will be necessary for the company to incur expenditure in order to retain present interests in exploration licences. The timing and amounts of exploration expenditure commitments of the Company may vary significantly from the forecast based upon the results of work performed by the Company.

Note 6 - Controlled Entities

The pro-forma financial statements incorporate the assets, liabilities, results and equity of the following entities in accordance with Note 2 - Pro-Forma Transactions and Note 1(b) Principles of Consolidation:

Name of entity	Class of Shares	Equity Holding
Archer Exploration Ltd	Ordinary	-
Pirie Resources Pty Ltd	Ordinary	100%
Kensington Resources Pty Ltd	Ordinary	100%



Independent Solicitor's Report

22 June 2007

The Directors
Archer Exploration Limited
32 Beulah Road,
NORWOOD SA 5067

Dear Directors

SOLICITOR'S REPORT

This report is prepared for inclusion in a prospectus to be dated on or about 29 June 2007 (**Prospectus**) to be issued by Archer Exploration Limited (**Company**) in relation to an initial public offering and subsequent listing of the Company on the Australian Securities Exchange (**ASX**).

1 Scope of Report

The scope of this report relates to:

- The registered and unregistered interests of the Company in the tenements and applications for tenements listed in the Schedule to this report.
- The application of native title to the tenements.
- The application of various State and Commonwealth laws to the tenements.

2 Tenements and Searches

This report relates to four (4) South Australian exploration licences (**Exploration Licences**) and four (4) South Australian exploration licence applications (**ELAs**) as set out in the Schedule to this report. Collectively, the Exploration Licences and the ELAs are referred to as the **Tenements** in this report.

The Tenements are held by either Pirie Resources Pty Ltd (ACN 119 903 301) (**Pirie**) or Kensington Exploration Pty Ltd (ACN 122 575 400) (**Kensington**), which are to become wholly owned subsidiaries of the Company in accordance with the Share Sale Agreements summarised in the Summary of Material Agreements section of the Prospectus. Pirie has also agreed to sell ELs 3154 and 3763 to a third party and therefore those tenements will not form part of the assets of Pirie following listing on the ASX.

We have arranged for the following searches to be conducted for the purpose of this report:

- searches of the Tenements in the register maintained by the Department of Primary Industries and Resources South Australia (**PIRSA**) pursuant to the Mining Act 1971 (SA) (**Mining Act**) on 21 June 2007. Those searches were supplemented by other information obtained from PIRSA during the preparation of this report; and
- searches of the native title application summaries maintained by the National Native Title Tribunal (**NNTT**) on 24 May 2007 in relation to those native title claims which affect the Tenements.

3 Report

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in item 9 below, we are of the view that, as at the date of the relevant searches:

- the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;
- where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule;
- all applicable rents due under the Mining Act in respect of the Tenements have been paid, unless otherwise noted in the Schedule; and
- conducting exploratory mining operations on those Tenements which are subject to native title will require compliance with the applicable processes of Part 9B of the Mining Act.

4 Tenements Generally

The Tenements comprise the four (4) Exploration Licences and the four (4) ELAs, as set out in the Schedule.

On 31 May 2007, PIRSA made an offer to Kensington for the grant of exploration licences in respect of the following ELAs: 2006/00645, 2006/00646 and 2006/00650. Kensington accepted the offer on 7 June 2007. The exploration licences were not formally granted as at the date of this report.

Under the Mining Act an exploration licence is granted for a term not exceeding 5 years. It may be renewed at the discretion of the Minister but not so that the aggregate term of the licence exceeds 5 years. If the licence is renewed, the terms and conditions may be varied, revoked or added to and the licence area may be reduced. The area of an exploration licence must not exceed 1,000 square km unless the Minister believes there are justifiable reasons to allow a larger area.

An exploration licence may be granted subject to such conditions as the Minister determines, as well as standard conditions which relate to:

- reporting the discovery of minerals potentially capable of economic production to PIRSA;
- preventing the pollution of surface and underground waters;
- minimising damage to the surface of the land;
- ensuring that drilling and other underground investigations do not cause interconnection between ground water aquifers;
- obtaining approval before constructing major campsites or constructing or upgrading tracks;
- keeping the use of vehicles other than on existing tracks to a minimum; and
- providing written particulars of any proposed airborne survey or ground water investigation survey to the Director and allowing an inspector to enter, survey or examine the land.

An exploration licence or an interest in an exploration licence must not be assigned, sub-let or be subject to any other dealing, either directly or indirectly, without the written consent of the Minister. The ELAs are not transferable pursuant to the Mining Act.

It is noted that part of the areas covered by EL 3724, ELAs 2006/645 and 2006/650 lie within the Woomera Prohibited Area (WPA) and a part of EL 3722 lies within the Woomera Instrumented Range (WIRA). The Company must negotiate an access agreement with the Commonwealth of Australia in order to gain access to those areas to carry out exploration activities. Due to the level of defence and commercial activities conducted in the WPA and in particular, the WIRA, there is no guarantee that access for mineral exploration or mining would be approved in these areas.

5 Native Title

Native Title Generally

On 3 June 1992 the High Court of Australia held in *Mabo -v- Queensland* that the common law of Australia recognises a form of native title. In order to maintain a native title claim the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title.

The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993 (Cth)(NTA)*. Among other things, the NTA:

- regulates the recognition and protection of native title;
- confirms the validity of titles granted by the Federal Government prior to the commencement of that Act on 1 January 1994;

- specifies the procedures to be complied with for certain future acts which affect native title; and
- specifies the procedures by which Aboriginal peoples can claim native title and by which people determined to hold native title can claim compensation.

The NTA was extensively amended in 1998 by the *Native Title Amendment Act 1998*. These amendments include the validation of any titles that may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. Other significant amendments include a revised threshold test for the acceptance of native title claims, confirmation of extinguishment of native title by the grant of “exclusive possession” pastoral leases and certain other leasehold interests and provisions intended to deal with overlapping claims.

The South Australian Parliament has enacted the *Native Title (South Australia) Act 1994*, which confirms the validity of titles granted by the South Australian Government at any time prior to 1 January 1994. This Act was amended by the *Native Title (South Australia) (Miscellaneous) Amendment Act 2000*, which imposes more demanding requirements on applicants seeking registration of a native title claim. The Act was also amended by the *Native Title (South Australia) (Validation and Clarification) Amendment Act 2000* to clarify the extent to which titles granted between 1 January 1994 and 23 December 1996 extinguish native title.

The Commonwealth Act provides that, in relation to the future grant of mining tenements in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act. Part 9B of the Mining Act enacts such alternative procedures, which are described further below.

Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title (being a native title claim) with the Federal Court. Applications which are lodged with the Federal Court will be referred to the NNTT for the purposes of registration of the claim.

If the Native Title Registrar is satisfied that a claim meets the registration requirements set out in the NTA (**Registration Test**) it will be entered on the Register of Native Title Claims maintained by the NNTT (**Register**). Claimants of registered claims are afforded certain procedural rights under the Commonwealth Act including the “right to negotiate” discussed further below.

The fact that a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area.

All of the Tenements relate to land which is currently the subject of at least one registered native title claim. These claims are identified in the Schedule attached to this report. The claims are being determined by the Federal Court.

We note that the native title claims that relate to ELAs 2006/645, 2006/647 and 2006/650 have been accepted and that Indigenous Land Use Agreements (ILUAs) operate over these respective areas. The registration of these ILUAs binds all native title holders in the area, even if they were not a party to that particular ILUA.

Validity of Titles

As noted above, in South Australia, Part 9B of the Mining Act contains procedures which operate in lieu of the right to negotiate process contained in the Commonwealth Act. Under Part 9B, a mining tenement granted since 23 December 1996 confers no right to carry out mining operations on native title land. Mining operations can only be carried out if they are not inconsistent with native title rights existing over the land, an agreement is reached with the registered native title claimants or a determination has been made by the Environment Resources and Development Court of South Australia (ERD Court) authorising the operations.

The fact that no such agreement has been reached and no such determination has been made in accordance with the Mining Act does not mean that there is an automatic suspension of minimum labour and expenditure conditions attached to the mining tenement. However, PIRSA will take into consideration bona fide efforts to negotiate such an agreement in its review of any non-compliance with conditions attached to the mining tenement.

Part 9B sets out a process for negotiating agreements authorising mining operations on native title land.

The right to negotiate process does not have to be pursued in cases where an ILUA is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed in order to conduct exploration activities. These procedures will vary depending on the terms of the relevant ILUA.

Renewals

Under the Mining Act, renewals of mining tenements made after 23 December 1996 in respect of tenements validly granted before that date will not be subject to the right to negotiate process provided:

- the area to which the earlier right is made is not extended;
- the term of the new right is not longer than the term of the earlier right; and
- the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the courts. Other than as stated above, renewals of mining tenements are subject to the same right to negotiate or the alternative procedures of the Mining Act as described above.

Risk Factors

The existence of native title and/or native title claims in relation to the land the subject of the Tenements may have an adverse impact on the Company's activities and its ability to fund those activities. It is noted that apart from the ILUAs affecting ELAs 2006/645, 2006/647 and 2006/650, there are no native title mining agreements or determinations in place for the other Tenements nor have negotiation procedures under Part 9B been initiated. It is impossible at this stage to quantify the impact that these matters may have on the Company's operations but the main risks include:

- delays in negotiating native title mining agreements for the Tenements, as this process can take as long as 2 years. Further, if the parties to the right to negotiate process cannot reach agreement the matter may be referred to the ERD Court for determination. The ERD Court may determine that the exploratory mining operations cannot be conducted or only conducted on conditions unacceptable to the Company.
- Compensation may be payable by the Company as a result of agreements made pursuant to the right to negotiate or alternative process or as a result of a compensation order made by the ERD Court in the event native title has been determined to exist. The amount of such compensation is not quantifiable at this stage.
- If native title is found to exist the nature of the native title may be such that consent to mining is required from the native title holders but is withheld or only granted on conditions unacceptable to the Company.

6 Aboriginal Heritage

There may be sites of Aboriginal heritage or significance located on the land on which the Tenements are situated.

The *Aboriginal Heritage Act 1988 (SA)* (**SA Heritage Act**) applies to the Tenements. Under the SA Heritage Act, damage to Aboriginal sites or objects of significance to Aboriginal tradition, archaeology, anthropology or history or to Aboriginal remains is prohibited. A register of Aboriginal sites and objects is maintained, but it is incomplete and protection is extended to Aboriginal sites and objects whether or not they are noted on the register. The register is confidential and is not available for public inspection. Prior to commencing operations, it is prudent to determine the existence of any Aboriginal site or object by obtaining a clearance survey, which may involve lengthy research and consultation with local communities.

The *Aboriginal and Torres Strait Islander Heritage Act 1984 (Cth)* (**Commonwealth Heritage Act**) also applies to the Tenements and is aimed at the preservation and protection from desecration of significant Aboriginal areas and significant Aboriginal objects. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with Aboriginal tradition.

We have not undertaken searches to ascertain if any Aboriginal sites have been registered in the vicinity of the Tenements under any of these Acts as there is no obligation, in any of those Acts, to register sites, objects or relics. In any event, their exact location is not ascertainable from such searches. Further, these enquiries are generally done by the mining company after the mining tenure applied for is granted and once a particular work programme has been

determined. In those cases it may be necessary to enter into separate arrangements with the traditional owners of the sites.

To ensure that that it does not contravene any of these Acts while carrying out operations on the Tenements, the Company would need to conduct heritage surveys to determine if any Aboriginal sites exist within the area of the Tenements. If so, the Company would also need to ensure that any interference with such Aboriginal sites is in strict conformity with the provisions of the above SA Heritage Act and the Commonwealth Heritage Act.

7 Uranium Mining

The Tenements allow for the exploration of radioactive minerals, including uranium. Mining operations and the handling of uranium triggers specific legislation enacted by both the State and Commonwealth. An overview of these laws is given below.

Mining Act 1971 (SA)

Mining operations with respect to uranium (as opposed to mere exploration for uranium) is restricted to those persons that hold a mining lease or retention lease that is endorsed by the Minister for that purpose. Further Ministerial authorization is required for the sale and disposal of uranium.

Radiation Protection and Control Act 1992 (SA)

Any operations involving the mining or milling of radioactive ores (including uranium) must be authorized by a licence issued under the Act. The licence imposes certain conditions relating to the handling, storage and transportation of uranium, including safety processes.

Atomic Energy Act 1953 (Commonwealth)

The Act requires the reporting of the discovery of uranium to the Commonwealth.

Environment Protection and Biodiversity Conservation Act 1999 (Commonwealth)

Under this Act, a person must not undertake a "nuclear action" (which includes the mining or milling of uranium) that is likely to have a significant impact on the environment unless the Minister has approved the taking of that action.

Nuclear Non-Proliferation (Safeguards) Act 1987 (Commonwealth)

The Act provides for the permitting of persons who possess nuclear material, including uranium.

Customs (Prohibited Exports) Regulations (pursuant to the Customs Act 1901) (Commonwealth)

The exportation of uranium is prohibited without approval from the Minister, who will have regard to Australia's commitments under the United Nations treaty for the non-proliferation of nuclear weapons to ensure that uranium is used for peaceful purposes and is properly accounted for.

Codes of Practice

Various codes of practice apply to the mining of uranium including:

Code of Practice on Radiation Protection on the Mining and Milling of Radioactive Ores 1987; Code of Practice on the Management of Radioactive Waste from the Mining and Milling of Radioactive Ores 1982; and Code of Practice for the Safe Transport of Radioactive Substances 1990.

8 Environment and Rehabilitation

The Commonwealth and the State of South Australia have legislated for the protection of the environment.

In South Australia, the *Environment Protection Act 1993*, the *Native Vegetation Act 1991* and the Mining Act itself, regulate exploration and mining operations to the extent that those operations impact on threatened species and ecological communities.

The Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999* similarly regulates certain exploration and mining operations to the extent that they relate to matters of national environmental significance (as defined in that Act).

ELAs 2006/645 and 2006/647 overlap "regional reserves" designated under the National Parks and Wildlife Act 1972 (SA) (NPW Act). Under that Act, the Minister responsible for administering the Mining Act must submit an application for a tenement to the Minister responsible for administering the NPW Act for approval. The respective Ministers may enter into an agreement with the holder of the tenement granted in relation to that part of the tenement that comprises land that is a regional reserve. The agreement may impose certain conditions limiting or restricting the exercise of rights under the tenement by the holder of the tenement.

9 Qualifications and Assumptions

This report, including the Schedule, is based on, and subject to, the following assumptions and qualifications set out below and as otherwise specified elsewhere in this report:

- we have assumed the results of the searches which we have made or caused to be made of the registers established and maintained by PIRSA and the NNTT are up to date and accurate;
- the holding of the Tenements is subject to compliance with their terms and conditions and the provisions of the Mining Act;
- in relation to the ELAs, we express no opinion as to whether and when the ELAs will ultimately be granted, nor the conditions subject to which the ELAs may be granted, in whole or in part;
- where an ELA is the subject of current PIRSA negotiation proceedings, we have not been involved in those negotiations, have no direct knowledge of their progress and express no opinion on the status of these negotiations and to what extent they will influence the likelihood or timing of grant of any of the ELAs affected;
- we have not undertaken independent surveys of the land the subject of the Tenements. Consequently we cannot verify the accuracy of the areas of the Tenements;
- in relation to native title, whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court and intersect the areas of the Tenements, we have not conducted any historical or anthropological investigations regarding the likely existence or non-existence of native title rights and interests in respect of those areas.

10 Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Kelly & Co have consented to the inclusion of this report in the Prospectus in the form and context in which it is included and have not withdrawn that consent before the lodgement of the Prospectus with ASIC.

Yours faithfully



KELLY & CO. Lawyers

Tenement Schedule

Tenement	Holder/ Applicant	Shares Held %	Area (km ²)	Status	Expiry Date	Commitments	Native Title Issues	Notes
EL 3711	Pirie	100	54	Granted	19/02/2008 20/02/2007	\$70,000	Barngarla Native Title Claim	1
EL 3721	Pirie	100	962	Granted	06/03/2008 07/03/2007	\$125,000	Barngarla Native Title Claim Kokatha Native Title Claim	
EL 3722	Pirie	100	971	Granted	06/03/2008 07/03/2007	\$125,000	Barngarla Native Title Claim Kokatha Native Title Claim	2
EL 3724	Pirie	100	884	Granted	06/03/2008 07/03/2007	\$115,000	Barngarla Native Title Claim Kokatha Native Title Claim Gawler Ranges Native Title Claim Gawler Ranges Mineral Exploration ILUA	3
ELA 2006/ 00645	Kensington	100	926	Applied	N/A 10/11/2006 Offer for grant accepted 07/06/2007	\$120,000 (upon grant of the exploration licence)	Barngarla Native Title Claim Kokatha Native Title Claim Gawler Ranges Native Title Claim Gawler Ranges Mineral Exploration ILUA	3,4
ELA 2006/ 00646	Kensington	100	369	Applied	N/A 10/11/2006 Offer for grant accepted 07/06/2007	\$65,000 (upon grant of the exploration licence)	Barngarla Native Title Claim Kokatha Native Title Claim Nukunu Native Title Claim	
ELA 2006/ 00647	Kensington	100	848	Applied	N/A 10/11/2006	N/A	Wirangu No. 2 Native Title Claim Gawler Ranges Native Title Claim Gawler Ranges Mineral Exploration ILUA	5
ELA 2006/ 00650	Kensington	100	678	Applied	N/A 15/11/2006 Offer for grant accepted 07/06/2007	\$95,000 (upon grant of the exploration licence)	Barngarla Native Title Claim Kokatha Native Title Claim Gawler Ranges Native Title Claim Gawler Ranges Mineral Exploration ILUA	3

Key

EL	Exploration Licence
ELA	Exploration Licence Application
Pirie	Pirie Resources Pty Ltd
Kensington	Kensington Exploration Pty Ltd
ILUA	Indigenous Land Use Agreement

Notes

- 1 Replaced EL 2858 which expired on 16 October 2006.
- 2 Wholly or partly within Woomera Instrumented Range.
- 3 Wholly or partly within Woomera Prohibited Area.
- 4 Wholly or partly within Lake Gairdner National Park.
- 5 Wholly or partly within Kulliparu Conservation Park and Reserve,
Gawler Ranges National Park and Conservation Reserve and Lake Acran.



Summary of Material Agreements

The Directors consider that certain agreements to which Archer Exploration is a party are significant or material to the terms of the Offer and as such may be relevant to potential investors in deciding whether or not to apply for Shares. The main provisions of these agreements are summarised below.

Pirie Resources Pty Ltd Share Sale Agreement (PRSSA)

By the PRSSA dated 27 March 2007 between Archer Exploration, GDE Exploration (SA) Pty Ltd and Valentina Nowak, Archer Exploration agreed to purchase from GDE Exploration (SA) Pty Ltd and Valentina Nowak all of the issued shares in Pirie Resources.

Pirie Resources is the sole registered holder and beneficial owner of mineral exploration licences EL 3721, EL 3722, EL 3724 and EL 3711.

The sale and transfer of the Pirie Resources shares under the PRSSA is conditional on:

- lodgement of this Prospectus with ASIC by 30 June 2007;
- Archer Exploration raising at least \$3.5 million under the Offer; and
- the ASX resolving to grant admission of Archer Exploration to the Official List and Quotation of the Shares on terms reasonably acceptable to Archer.

The total consideration for the sale and purchase of the shares in Pirie Resources is the issue and allotment of 7,000,000 Shares, issued at \$0.20 per share, to GDE Exploration (SA) Pty Ltd and Valentina Nowak in proportion to their respective shareholdings in Pirie Resources.

The exploration licences EL 3721, EL 3722 and EL 3724 are free of encumbrances, but EL 3711 is subject to an Exploration Agreement dated 22 June 2006 (**Exploration Agreement**), under which Olliver Geological Services Pty Ltd has the right to explore for dimension stone and industrial materials on this tenement.

Pirie Resources is also the registered holder of mineral exploration licence EL 3154 and EL 3763. However, these tenements are the subject of a tenement sale agreement with a third party and therefore will not form part of the assets of Pirie Resources for the purposes of the PRSSA.

At completion of the PRSSA, all actual or contingent liabilities for Pirie Resources will not exceed \$10,000. This does not include the liability accepted by Archer, in respect of the payment of \$10,000 sale consideration to Olliver Geological Services Pty Ltd under the Exploration Agreement.

Kensington Exploration Pty Ltd Share Sale Agreement (KESSA)

Under the KESSA, dated 27 March 2007, GDE Exploration (SA) Pty Ltd and Deborah Annette Rossiter jointly agreed to sell to Archer Exploration Ltd all of the issued shares in Kensington Exploration, the sole registered holder and beneficial owner of the mineral exploration applications ELA 2006/00645, ELA 2006/00650, ELA 2006/00646 and ELA 2006/00647.

The KESSA is conditional on:

- lodgement of this Prospectus with ASIC by 30 June 2007;
- Archer Exploration raising at least \$3.5 million under the Offer; and
- the ASX resolving to grant admission of Archer Exploration to the Official List and Quotation of the Shares on terms reasonably acceptable to Archer.

The total consideration for the sale and purchase is the issue and allotment of 9,418,477 Shares, issued at \$0.20 per Share, to GDE Exploration (SA) Pty Ltd and Deborah Annette Rossiter in proportion to their respective shareholdings in Kensington Exploration.

At completion of the KESSA, all actual or contingent liabilities in respect of Kensington Exploration will not exceed \$10,000.

Professional Services Agreement

By agreement dated 23 May 2007, Archer Exploration engaged Tigermoth Investments, as consultant, to act as corporate adviser to Archer Exploration in respect of this Offer.

If Archer Exploration is admitted to the Official List before 31 December 2007, Tigermoth Investments will be issued 2,000,000 Shares (subject to escrow under the ASX Listing Rule requirements) and will be paid \$80,000 as compensation for all expenses, wages, taxes and other expenses incurred by Tigermoth Investments in connection with the services provided under this agreement.

Tigermoth Investments will also be paid a fee of \$1,000 per month for a period of 12 months from the date of Archer Exploration's Admission Date, as payment for operating costs incurred by Tigermoth Investments.

Tigermoth Investments may also receive a success fee, of up to \$100,000, twelve months after Archer Exploration's Admission Date. The fee is performance-based, and is based on the average daily closing price of the Shares and Options on the ASX over the twelve month period.

Services Agreement

By the Services Agreement, dated 20 June 2007, Archer Exploration appointed UraniumSA to provide services to it in respect of the conduct of Archer Exploration's operations, including exploration, development, mining, processing, plant construction, maintenance, expansion or other operations, and the acquisition of other tenements or interests in tenements, or any ancillary purpose.

Under the terms of the Services Agreement, UraniumSA must provide to Archer Exploration monthly reports on the matters relating to the performance of services under the agreement. UraniumSA may arrange for any of its duties or obligations under the agreement to be undertaken by employees of Archer Exploration, acting under the supervision of UraniumSA.

UraniumSA will be compensated for carrying out the services in accordance with its net cost expenditure on those services, reimbursed at actual cost plus a 15% margin. UraniumSA will also be paid an administrative service fee, at a flat rate, for the use of office space and provision of administrative services. All property (real and personal) held, developed, constructed or acquired by UraniumSA on behalf of Archer Exploration, under or pursuant to this agreement, will be Archer Exploration's property and UraniumSA will not have any equitable right, title or interest in or to it.

This agreement will expire on 30 September 2008.

Sponsoring Broker

Lands Kirwan Tong Stockbrokers Pty Limited will receive a management fee of \$70,000 and will be entitled to be paid a broking fee of 5% (exclusive of GST) on the Application Money raised by the Offer and arranged by Lands Kirwan Tong Stockbrokers Pty Limited.

Directors' Deeds of Access, Insurance and Indemnity

Archer Exploration has entered into a Deed of Access, Insurance and Indemnity with each of the Directors.

Under the terms of these Deeds, Archer Exploration has undertaken, subject to restrictions in the Corporations Act, to:

- indemnify each Director in certain circumstances;
- advance money to a Director for the payment of any legal costs incurred by a Director in defending legal proceedings before the outcome of those proceedings is known (subject to an obligation by the Director to repay any money advanced in

the event that the costs become costs in respect of which the Director is not entitled to be indemnified under the Deed);

- maintain Directors and Officers insurance cover (if available) in favour of each Director whilst they remain a director of Archer Exploration; and
- provide each Director with access to Board papers and other documents provided or available to the Director as an officer of Archer Exploration.

Rules of the Archer Exploration Employee Share Option Plan

The Board adopted the Archer Exploration Employee Share Option Plan on 20 June 2007 (**Plan**).

The Plan is designed to:

- provide eligible participants with an ownership interest in Archer Exploration;
- provide additional incentives for eligible participants; and
- reward eligible participants for past performance.

No Options have been granted under the Plan as at the date of this Prospectus.

A summary of the Plan is set out below.

General

The Plan relates to the grant of Options to subscribe for Shares.

The Board may from time to time, in its absolute discretion, offer to grant Options to eligible participants under the Plan.

Each Option will be issued for no consideration and will carry the right in favour of the Option holder to subscribe for one Share.

Eligible Participants

Full-time and part-time employees of Archer Exploration or any of its subsidiaries, or any other person determined by the Board in its discretion, will be entitled to participate in the Plan. As a general rule, participants should have been in 12 months continuous employment with Archer Exploration unless otherwise determined by the Board.

Restriction on issues under the Plan

The Board will not issue Options under the plan if the total number of Shares the subject of the Options, when aggregated with:

- the number of Options to be granted;
- the number of Shares which would be issued if all current Options granted under any employee incentive scheme, including the plan, were exercised; and
- the number of Shares which have been issued as a result of the exercise of Options granted under any employee incentive scheme, including the plan, where the Options were granted during the preceding 5 years, would exceed 5% of the total number of issued Shares at the time of the issue.

Option Terms

Options issued under the Plan:

- will expire 5 years from their date of issue and can be exercised at any time during that period, provided they may not be exercised until the Shares have been listed on ASX for a period of 12 months;
- will not be Quoted;
- will be exercisable for one Share each at an exercise price to be determined by the Board at the time of issue, which must not be less than the market value of the Shares at the time of issue, as determined under the Plan;
- will only be transferable with the approval of the Board.

The Shares issued on the exercise of an Option will rank equally with the other Shares on issue, and Archer Exploration will apply to the ASX for Quotation of those Shares.

Lapse of Options

Unless the Board in their absolute discretion determine otherwise, Options shall lapse on the earlier of:

- the expiry date of the Option being the period of 5 years from and including the date of issue of the Option;
- a determination by the Directors that the Option holder has acted fraudulently, dishonestly or in breach of their obligations to either Archer Exploration or its subsidiaries; and
- 30 days after an Option holder ceases to be an eligible participant for any reason other than retirement, permanent disability, redundancy or death.

Participation in Future Issues

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in the new issues of capital offered to Shareholders during the currency of the Options. However, Archer Exploration will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or satisfaction of dividends or by way of dividend reinvestment) the exercise price of the Options shall be adjusted in accordance with the formula in the Listing Rules.

In the event of a bonus issue of Shares being made pro rata to Shareholders (other than an issue of lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

Reorganisation

The terms upon which Options will be granted will not prevent them being reorganised as required by the Listing Rules on the reorganisation of the capital of Archer Exploration.

Management of the Plan

The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate such authorities as may be necessary or desirable for the administration and management of the Plan.

The Board may amend the Rules of the Plan subject to the requirements of the Listing Rules.

The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

Additional Information

Risk Factors

Any investment in the Company should be considered speculative. Prospective investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including, but not limited to, those discussed below. The entire range of risk to which the Company may be exposed is unknowable and the following list is indicative and is neither exhaustive nor complete.

Risks specific to the Company

The Company has a limited operating history on which an evaluation of its prospects can be made. Further, its projects are largely unexplored, or in the early stages of exploration and are considered speculative.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company, will result in the discovery of an economic mineral deposit.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

Risks specific to uranium explorers and producers

Regulation and Politics

In Australia, uranium mining in particular is regulated by state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labor standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and a range of other matters. Compliance with these laws and regulations impacts on the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

The Federal Government permits the mining and export of uranium under strict international agreements. The Federal Government controls uranium export through its licensing process. Australian uranium can only be exported to those countries that undertake to use it for peaceful purposes.

Changes in current and future government policy may have an effect on the activities of the Company

Approval Process

The approval process for uranium mining is more rigorous than that applying to normal mining operations and involves both State and Federal legislation and agencies. If a uranium deposit is discovered there is no guarantee that the Company will be able to clear all of the statutory and regulatory hurdles and achieve production.

Environmental Risks

Future legislation and regulations may impose significant environmental obligations on the Company in relation to uranium mining.

Competition

Nuclear energy is in direct competition with other more conventional sources of energy which include gas, coal and hydro-electricity, as well as the newer "green" energy sources such as solar, wind and geothermal. Growth of the nuclear power industry beyond its current level will depend upon continued and increased acceptance of nuclear power generation, and economic viability factors. Advances in alternative power generation technologies, or the development of new technologies, may also compete with nuclear power generation.

Public Perception

Debate on the relative dangers and benefits of uranium as an energy source will continue into the foreseeable future and may result in statutory and/or regulatory changes which could affect the Company's operations.

Uranium price volatility

Uranium prices are subject to volatility caused by a number of factors, including international economic and political trends, trade agreements, inflation expectation, global and regional demand, alternative energy sources, exchange rate fluctuations, interest rates, consumption patterns, technological advances and increased production from the development of new mines or improved mining techniques. Adverse changes in government policy in countries using nuclear power may also affect the price at which uranium is sold.

Prices are currently at historically high prices. However there can be no guarantee that prices will remain at these levels. If prices fall this may affect the viability and profitability of the Company.

Mineral industry risks

Tenement and Title

Some of the tenements referred to in this Prospectus are applications awaiting grant and are not yet granted licences. There is a risk that these applications will not be granted. However, the tenement owners of ELAs 2006/645, 2006/646 and 2006/650 have recently accepted an offer from PIRSA to have these applications granted as Exploration Licences, and the Directors currently know of no reason why these licences would not ultimately be granted by the Minister.

Interests in tenements in Australia are governed by state legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Continuing title to exploration tenements is conditional on the Company meeting the requirements under which the tenement title is granted and failure to meet those requirements places the Company's on-going rights to that title and therefore the tenement at risk. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Delay in the renewal of a tenement could impact the ongoing conduct of exploration.

Exploration

The mineral tenements of the Company as described in this Prospectus are in the early stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company, will result in the discovery of an economic mineral deposit.

If the Company makes a discovery, there can be no assurance that the technical, financial, statutory and regulatory hurdles can be cleared and profitable, commercial production achieved.

The exploration costs of the Company described in this Prospectus are based on estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and the actual work done and cost incurred may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability

Requirement for Access Agreements

Part of the areas covered by EL 3724, ELAs 2006/645 and 2006/650 lie within the Woomera Prohibited Area (the "WPA") and a part of EL 3722 lies within the Woomera Instrumented Range (the "WIRA"). The Company must negotiate an access agreement with the Commonwealth of Australia in order to gain access to those areas to carry out exploration activities. Due to the level of defence and commercial activities conducted in the WPA and in particular, the WIRA, there is no guarantee that mineral exploration or mining would be approved in these areas, which could materially and adversely affect the Company's viability.

Economic Risks

General economic conditions, movement of interest, inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities and on its ability to fund those activities. If activities cannot be funded there is a risk that tenements may have to be surrendered or not renewed.

Market Conditions

The market price of the Shares will fluctuate and may be subject to varied and unpredictable influences on the market for equities in general, and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Further, share market conditions may affect the value of the Company's Quoted securities regardless of the Company's operating performance.

Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Native Title

It is possible that the Company has an interest, or will in the future acquire such an interest, in areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further information in relation to the mining tenements and native title claims is set out in the Solicitor's Report in this Prospectus.

Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify uranium or other mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Mineralisation Estimates

The Independent Geologist's Report set out in this Prospectus has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (VALMIN Code) which is binding upon members of the Australian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG) and the rules and guidelines relating to Independent Expert Reports set by ASIC and the ASX.

Commodity Price Volatility and Exchange Price Risk

In the event that the Company achieves exploration success leading to mining and production, the revenue it will derive through the sale of commodities will be exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors. Further, international prices of many commodities are denominated in United States dollars, while the income and expenditure of the Company are taken into account in Australian currency, exposing the Company to fluctuations in the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Environmental Risks

The operations and proposed activities of the Company are subject to both Australian Federal and State laws and regulations concerning the environment. All exploration projects and mining operations have an impact on the environment, particularly if advanced exploration or mine development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, as with all exploration and mining activities, the Company's operations are expected to have an impact on the environment, particularly if mine development proceeds. There are also risks inherent in the Company's activities including accidental leakages, spills, or other unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before undertaking activities that are likely to impact on the environment. If the Company fails to obtain such approvals it will be prevented from undertaking those activities.

The Company cannot predict what future legislation and regulations may govern mining, and may impose significant environmental obligations on the Company.

Requirements for Capital

The Company's capital requirements depend on numerous factors including its ability to generate income from its operations and possible acquisition or other corporate opportunities, and the Company will most likely require further financing in addition to amounts raised under this capital raising. Capital raised by additional equity financing will dilute shareholdings, and debt financing may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may have to reduce the scope of its operations or scale back its exploration programs.

Key Management

The responsibility of overseeing the operations and the strategic management of the Company is the responsibility of its Directors. Initially, the day-to-day operations of the Company will be undertaken by senior management personnel provided under the Services Agreement with UraniumSA (see page 49 of this Prospectus). There can be no assurance that there will be no detrimental impact on the Company if one or more of the Directors no longer act as Directors of the Company, or if the Services Agreement is terminated for any reason.

Valuations

No valuation of the exploration projects or of the Shares of the Company has been carried out. The Company makes no representation as to the value of the rights that it is acquiring. Potential investors and their advisors should make their own assessment of these matters.

Investment Speculative

The above list of risk factors is not exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others which may be unknowable or not regarded as significant at this time, may in the future materially affect the performance of the Company and the value of the securities offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

Rights attaching to Shares

Full details of the rights attaching to Shares are set out in Archer Exploration's Constitution a copy of which can be inspected, free of charge, at Archer Exploration's registered office during normal business hours. The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All Shares issued pursuant to this Prospectus will from the time they are issued, rank equally with all the Company's existing Shares.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of Archer Exploration:

- each Shareholder entitled to vote may vote in person or by proxy;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote

for the Share, but in respect of partly paid Shares (at present there are none), shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

Rights on a winding up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of Archer Exploration all assets that may be legally distributed among members will be distributed in proportion to the number of fully paid Shares held by them.

Transfer of Shares

Subject to the Constitution of the Company, the Corporations Act, and any other laws and ASTC Settlements Rules and ASX Listing Rules, Shares are freely transferable.

Future increases in capital

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the ASX Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

Variation of rights

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

ASX Listing Rules

If the Company is admitted to the Official List of the ASX, then despite anything in the Constitution of the Company, if the Listing Rules:

- prohibit an act being done, the act must not be done. Also, nothing in the Constitution prevents an act being done that Listing Rules require to be done;
- require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be); or

- require the Constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). Also, if any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

Dividend rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of Archer Exploration which the Directors determine to distribute by way of dividend are divisible among the holders of ordinary Shares in proportion to the number of Shares held by them.

Interests of Directors

Shareholdings

The Directors are not required to hold any Shares under the Constitution of Archer Exploration.

At the date of the Prospectus the relevant interest of each of the Directors in the Shares of the Company are:

	<i>Number of Shares held</i>
<i>Tom Phillips</i>	<i>500,000</i>
<i>Alice McCleary</i>	<i>1,500,000</i>
<i>Greg English</i>	<i>11,604,798 *</i>

** Mr Greg English, a non-executive director of the Company, is a director and has an indirect majority shareholding in Pirie Resources and Kensington Exploration. Following the successful completion of the Offer, Mr English will have a beneficial interest in 11,104,798 Shares in the Company, issued pursuant to the KESSA and the PRSSA (see page 48 of this Prospectus for further information). In addition he acquired 500,000 Shares as a founding shareholder.*

Nothing in this Prospectus will be taken to preclude Directors, officers or employees of Archer Exploration or the Sponsoring Broker from applying for Shares under this Prospectus and the Directors have the right to apply for Shares.

Remuneration

The Constitution of Archer Exploration provides that non-executive Directors are entitled to remuneration as determined by the Directors but not exceeding a maximum of \$500,000 in aggregate for any financial year. The current annual fees payable to non-executive Directors are:

<i>Chairman</i>	<i>\$75,000</i>
<i>Non-executive Directors</i>	<i>\$50,000</i>

Non-executive Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

Other interests

Except as disclosed in this Prospectus, no Director holds, or during the last two years has held, any interest in:

- the formation or promotion of Archer Exploration;
- property acquired or proposed to be acquired by Archer Exploration in connection with its formation or promotion of the Offer; or
- the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him in connection with the formation or promotion of Archer Exploration or the Offer.

Interests of persons named

Other than as set out below or elsewhere in this Prospectus, no expert, stockbroker, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, has, or has had within the two years before lodgment of this Prospectus with ASIC, any interest in:

- the formation or promotion of Archer Exploration;
- any property acquired or proposed to be acquired by Archer Exploration in connection with its formation or promotion or in connection with the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Grant Thornton South Australian Partnership will receive professional fees of approximately \$10,000 for accounting services in connection with this Prospectus including the provision of the Independent Accountant's Report.

Grant Thornton South Australian Partnership will act as auditors of the Company. The Company will pay for auditing or related services in the normal course of business.

Hugh Rutter will receive professional fees of approximately \$5,000 for the provision of the Independent Geologist's Report.

Watson Lawyers will be paid a time based fee of approximately \$22,000 for legal work undertaken by them in connection with this Prospectus. Mr Greg English, a partner of Watsons Lawyers, is also a Director of the Company and on successful completion of the Offer will have an interest in a further 11,604,798 Shares.

Kelly & Co will receive professional fees of approximately \$20,000 for the preparation of the Share Sale Agreements and the Solicitor's Report contained in this Prospectus.

Tigermoth Investments has provided corporate advice and general assistance to Archer Exploration in relation to the structure of the Offer and will receive professional fees as disclosed on page 48 of this Prospectus.

Lands Kirwan Tong Stockbrokers Pty Limited as Sponsoring Broker will receive a management fee of \$70,000 and will be entitled to be paid a broking fee of 5% (exclusive of GST) on the Application Money raised by the Offer and arranged by Lands Kirwan Tong Stockbrokers Pty Limited.

Computershare Investor Services Pty Ltd has been appointed as Archer Exploration's share registrar and will be paid for these services on normal commercial terms.

Taxation

The acquisition and disposal of Shares in Archer Exploration will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Archer Exploration are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Archer Exploration, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

Litigation

The Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

Electronic Prospectus

Pursuant to Class Order 00/44 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a printed prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at info@archerexploration.com.au and the Company will send you, for free, either a printed copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.archerexploration.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Consents

The following persons have each consented to being named in the Prospectus and to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with ASIC:

- Kelly & Co - Solicitor's Report
- Hugh Rutter/Flagstaff GeoConsultants Pty Ltd - Independent Geologist's Report
- Grant Thornton South Australian Partnership - Independent Accountant's Report

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the statements referred to above and the statements identified in this Prospectus as being based on statements made by those persons.

The following persons have given and, as at the date of this Prospectus, have not withdrawn, their written consent to be named in the form and context in which they are named. These persons have had no involvement in the preparation of any of the Prospectus other than the statements above and have not authorized or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus:

- Watsons Lawyers
- Grant Thornton South Australian Partnership
- Computershare Investor Services Pty Ltd
- Kensington Exploration Pty Ltd
- Pirie Resources Pty Ltd
- Tigermoth Investments Ltd
- Lands Kirwan Tong Stockbrokers Pty Limited
- Russel Bluck
- Wade Bollenhagen

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

Lands Kirwan Tong Stockbrokers Pty Limited does not make or purport to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based; and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name.

Lands Kirwan Tong Stockbrokers Pty Limited was not involved in the due diligence process undertaken in relation to this Prospectus.

Computershare Investor Services Pty Limited has given and has not before the date of this Prospectus, withdrawn its consent to be named as the Share Registrar to the Company in this Prospectus and any electronic version of this Prospectus in the form and context in which it is named. Computershare Investor Services Pty Ltd was not involved in the preparation of this Prospectus, did not authorise or cause the issue of this Prospectus and takes no responsibility for any material in or omission from this Prospectus.

Directors' Statement

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by other persons, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgment of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

This Prospectus is issued by Archer Exploration Limited. The issue of this Prospectus has been authorised by the Directors and this Prospectus has been signed by the Chairman on behalf of the Directors. Each Director has consented to the lodgment of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Archer Exploration Limited:



T R Phillips AM
Chairman

Dated *June 29, 2007*



Glossary & Technical Terms

Defined Terms

Admission Date	means the date the Company is admitted to the Official List of the ASX
Allotment Date	means the date the Shares issued under the Offer will be allotted to successful Applicants
Archer Exploration	means Archer Exploration Limited (ACN 123 993 233)
Applicant	means a person who makes an Application
Application	means a valid application made to subscribe for a valid number of Shares
Application Form	means the Application Form to subscribe for Shares, located at the end of this Prospectus
Application Money	means the amount of money in dollars and cents payable for Shares at \$0.20 each pursuant to the Offer
ASIC	means the Australian Securities and Investment Commission
ASTC	means ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532), a wholly owned subsidiary of the ASX
ASTC Settlement Rules	mean the operating rules of the ASTC
ASX	means ASX Limited (ACN 008 624 691)
Board	means all the Directors of Archer Exploration collectively, from time to time
CHESS sub-register	means Clearing House Electronic Sub-register System, an electronic book-entry register of holdings of approved securities, managed by ASTC
Company	means Archer Exploration
ComputerShare	means ComputerShare Investor Services Pty Ltd (ACN 078 279 277)
Constitution	means the Constitution of Archer Exploration
Corporations Act	means the Corporations Act 2001 (Cth)
Directors	means the directors of Archer Exploration, from time to time
Eligible UraniumSA Shareholder	means the holder of a share in UraniumSA, as recorded on the register of UraniumSA on 29 June 2007
Exploration Licence Application or ELA	means an application for an Exploration Licence, made pursuant to the Mining Act
Exploration Licence or EL	means an exploration licence granted pursuant to the Mining Act
Exposure Period	means the period of 7 days from the date of lodgement of the Prospectus with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act
JORC Code	means the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves
Kensington Exploration	means Kensington Exploration Pty Ltd (ACN 122 575 400)
KESSA	means the Kensington Exploration Pty Ltd Share Sale Agreement dated 27 March 2007 between GDE Exploration (SA) Pty Ltd, Deborah Annette Rossiter, Wayne Andrew Rossiter, Gregory David English and Archer Exploration, as amended by Deed Amending Share Sale Agreement dated 20 June 2007
Listing	means the admission of the Company to the Official List of ASX
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while an entity is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX
Lands Kirwan Tong or LKT	means Lands Kirwan Tong Stockbrokers Pty Limited
Maximum Subscription	means the maximum raising of \$7,000,000 by the acceptance of 35,000,000 Shares at \$0.20 per Share pursuant to this Prospectus
Minimum Subscription	means the minimum raising of \$5,000,000 by the acceptance of 25,000,000 Shares at \$0.20 per Share pursuant to this Prospectus
Mining Act	means the Mining Act 1971 (SA)
Minister	means the Minister responsible for the administration of the Mining Act
Offer	means the offer of up to 35,000,000 Shares at \$0.20 per Share pursuant to the Prospectus and includes both the Priority Offer and the Public Offer
Official List	means official list of entities that ASX has admitted and not removed
Opening Date	means the first date for receipt of completed Application Forms which is 9:00am on 9 July 2007, or such other date and time as the Directors, in their absolute discretion, may determine
Option	means an option to subscribe for a Share
PIRSA	means the Department of Primary Industries and Resources of South Australia

Pirie Resources	means Pirie Resources Pty Ltd (ACN 119 903 301)
Priority Offer Closing Date	means the last date of receipt of completed Priority Application Forms for the Priority Offer, which is 20 July 2007 or such other time and date determined by the Directors in their absolute discretion
Priority Offer	means the offer to UraniumSA Shareholders of up to 5,000,000 Shares who hold shares in UraniumSA on 29 June 2007
Priority Offer Eligibility Label	means the personalised labels mailed to Eligible UraniumSA Shareholders, to be affixed to Application Forms for Applications made under the Priority Offer
Professional Services Agreement	means the Professional Services Agreement dated 23 May 2007 between Tigermoth Investments and the Company
Prospectus	means this Prospectus, dated 29 June 2007
Prospectus Date	means the date this Prospectus was lodged with ASIC which is 29 June 2007
PRSSA	means the Pirie Resources Pty Ltd Share Sale Agreement dated 27 March 2007 between GDE Exploration (SA) Pty Ltd, Gregory David English and Valentina Nowak and Archer Exploration
Public Offer	means the Offer made to public investors under this Prospectus, as set out in the Details of Offer section of this Prospectus
Priority Offer	means the offer to Eligible UraniumSA Shareholders of up to a total number of 5,000,000 Shares
Public Offer Closing Date	means the personalised Labels mailed to Eligible UraniumSA Shareholders, to be affixed to Application Forms for Applications made under the Priority Offer
Quotation	means quotation of the Shares on the Official List
Seed Capitalists	means those Shareholders issued Shares prior to the Prospectus Date
Services Agreement	means the Services Agreement dated 20 June 2007 between the Company and UraniumSA
Share	means a fully paid ordinary share in the capital of Archer Exploration
Share Registrar	means Computershare Investor Services Pty Ltd
Share Sale Agreements	means the KESSA and the PRSSA collectively
Shareholder	means the holder of one or more Shares
Tigermoth Investments	means Tigermoth Investments Ltd
UraniumSA	means UraniumSA Ltd (ACN 119 978 013)
UraniumSA Shareholder	means the holder of a share in UraniumSA, as recorded on the register of UraniumSA on 29 June 2007

Technical Terms

Adelaidian	A time period from 870 to 570 million years ago
Aeolian	deposited by wind action
aeromagnetic survey	A survey made from the air for the purpose of recording magnetic survey data on rocks, syn. Aeromagnetometry.
aircore drilling	Rotary drilling method whereby sample is delivered to the surface inside the rod string by compressed air. Typically utilised in shallow drilling of weathered or poorly consolidated rock
anomaly	Value or feature higher, lower or different to that expected or to the average
Archaean	The oldest rocks of the Precambrian era, older than 2,500 million years
airborne	geophysical survey with data acquired from an aircraft or helicopter
Athabasca Basin	Proterozoic basin in the Canadian Saskatchewan Province, host to high grade uranium deposits at and near the basal unconformity
basement	A much older harder rock surface underlying more recent deposits
breccia	Rock consisting of angular fragments in a finer-grained matrix, distinct from conglomerate
calcrete	A calcareous desert soil, or in soil precipitate, formed from crystallisation of calcite and associated carbonates by evaporation of upward moving solution. Frequently sampled for geochemical exploration
Cratonic	Pertaining to a craton which is a relatively immobile part of the earth, generally of large size and over 600 million years old.
EL	Exploration Licence, a title issued by the South Australian Government.
ELA	An application for an Exploration Licence.

Technical Terms *continued*

electromagnetics	geophysical survey measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the subsurface.
Exploration Areas	Areas which are geologically prospective but which do not contain identified resources or reserves of mineralisation.
facies	an assemblage of rock, mineral or fossil content indicating the depositional environment.
fault	A fracture in rocks on which there has been movement on one of the sides relative to the other and parallel to the fracture.
fluvial	Of or found in rivers, adj. Fluvialite.
Gawler Craton	Area of stable crystalline Archaean to Mesoproterozoic rocks covered in part by Neoproterozoic sediments.
geophysical surveys	The exploration of an area in which geophysical properties and relationships unique to the area are mapped by one or more geophysical methods.
geophysics	The study of the earth by quantitative physical methods, adj. Geophysical.
granite	A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase, adj. Granitic.
gravity survey	A geophysical survey technique using a gravimeter to measure the force of gravity at locations within an area.
igneous	Formed by solidification from a molten or partially molten state.
IOCG	Iron Oxide Copper Gold deposits commonly associated with magnetic and gravity geophysical anomalies.
IOCG-U	Iron Oxide Copper Gold deposits with economically significant uranium, one a number of variations on the basic style of IOCG deposits.
JORC	The Joint Ore Reserves Committee.
lacustrine	Of or found in lakes
mafic	Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates.
Mesoproterozoic	A period of geological time from 1600 to 1000 Ma.
Mesozoic	A period of geological time from 225 to 65 million years ago.
metasediment	Sedimentary rocks that have been recrystallized by metamorphism.
Mesoproterozoic	the middle Proterozoic geological time periods, 1600 to 1000 Ma
open file	A category of reports at a Mines Department Library which are available for public perusal after a title has been relinquished; contrast with closed file.
palaeo	A prefix relating to a past, ancient or fossil feature.
PIRSA	Department of Primary Industry and Resources of the Government of South Australia.
palaeodrainage	Pre-existing watercourse system now covered by later sediments.
Palaeoproterozoic	The first of the Palaeozoic geological time periods, 2500 to 1600 Ma.
playa	The shallow central portion of a desert plain.
ppm	Parts per million; quantitative equivalent of g/t.
prospective	Said of a region or prospect thought to have a high chance of ore discovery.
Proterozoic	The second eon of the Precambrian between the Archaean and Cambrian and 2,500 to 545 million years before the present.
Recent	Geological age from about 20,000 years ago to present, synonym Holocene.
roll-front	an arcuate shaped interface between oxidising and reducing environments in bedrock, often associated with uranium mineralisation.
redox	the interface between oxidising and reducing environments in bedrock.
sedimentary hosted uranium	A type of uranium deposit found in sedimentary rocks of palaeodrainage channels.
TEISA	Targeted Exploration Initiative South Australia, an exploration promotion program delivered by Primary Industries and resources South Australia
Tertiary	The geological period prior to the Quaternary from 1.8 to 65 Ma.
uranium	The natural metal uranium, atomic number 92.
unconformity	A position in a sedimentary sequence where there is a lack of continuity in adjacent rock strata caused by a time break in sedimentation, adj. Unconformable.



