

## 2009 ANNUAL GENERAL MEETING

### CHAIRMAN'S ADDRESS TO AGM

10:00am (Adelaide time), Friday 27 November 2009

---

Due to disciplined financial management and a methodical and technical approach to exploration of our projects, the company managed to avoid the effects of the Global Financial Crisis. Unlike many of its peers, Archer did not need to undertake a dilutionary capital raising during the past 12 months and with \$4.6m cash in bank is unlikely to do so in the near future.

We have recently had a change in leadership in the company with the appointment in August of Mike Hatcher as CEO. Mike's new leadership has created a renewed focus on business efficiency, strategy, growth, safety and technical evaluation of projects.

Mike has an impressive track record in exploration geology and business development. His extensive experience includes senior roles in Australia and Africa.

Mike is working to progress the company's exploration targets and further develop a strong pipeline of growth projects.

Prior to Mike's appointment I was engaged in the role of Executive Chairman and our key achievements during the 08/09 financial year included:

- undertaking the company's maiden drilling program at Carapee Hill to explore for near surface manganese and copper gold mineralisation as well as deeper magnetite targets;
- acquisition of the North Burra tenements which is home of the Ketchowla manganese project;

- prudent management of the company's cash reserves whilst still implementing active exploration programs; and
- strengthening of the board through the appointment of Gerard Anderson as a non-executive director.

Our foundations are strong and we are seeing some development of our projects and a new range of opportunities – despite the tumultuous year experienced world-wide.

Our future performance will be affected by our ability to effectively develop our projects and while there are some optimistic signs none of us can predict the future. However, new opportunities are emerging. We are seeing promising exploration results at Ketchowla which is ideally situated close to existing infrastructure. Carappee Hill continues to provide positive results, particularly for Mn, Ni and graphite, and West Roxby remains the one of the last great contiguous land holding in the Gawler Craton outside of the Woomera Prohibited Area.

Successful discovery is about drill testing targets. Our geophysical and geochemical surveys have already indicated the presence of mineralisation on many of our tenements. Looking forward, we are entering an exciting phase, involving drilling in three key project areas. At Ketchowla, drilling of the large mineralised zones will commence in first quarter of 2010 where we are hopeful that the manganese will be shown to extend at depth. We are also planning to drill test the Pindarri nickel anomaly at Carappee Hill and Apollo prospect at West Roxby in the second quarter of 2010.

Ketchowla has the potential to fundamentally transform the Company should drilling be successful. So the next several months will be both exciting and critical to our longer term success

Mike Hatcher will talk more about our operations and opportunities.

By owning 100% of all of our tenements and having a strong cash balance, we are well positioned to take advantage of any future resources that may be developed from our exploration efforts and other opportunities as they emerge.

The board continues to be positive about the outlook for the Company and is confident that it will continue to grow the Company's business by focusing on those projects and regions with good growth opportunities.

I thank all of our investors for their continued support and our management and people for their hard work and dedication.

I'll now handover to Mike.

Greg English  
Chairman  
Archer Exploration Limited