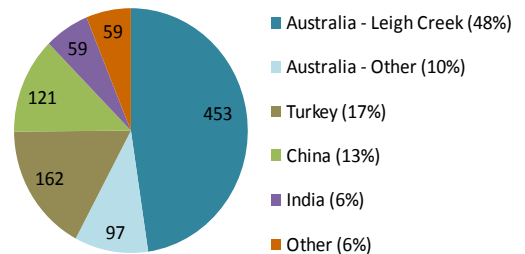


INVESTMENT HIGHLIGHTS

World's largest cryptocrystalline magnesite resource

- Cryptocrystalline magnesite is a unique and scarce mineral accounting for only 7% of total global magnesite resources.
- Cryptocrystalline magnesite's superior qualities produce higher value magnesia products than macrocrystalline magnesite.
- The Leigh Creek magnesite deposits account for almost 50% of the world's known cryptocrystalline magnesite resources.
- The Leigh Creek deposits have a JORC compliant resource of 453Mt – an almost inexhaustible supply source.

Global Cryptocrystalline Magnesite Resources (Mt)



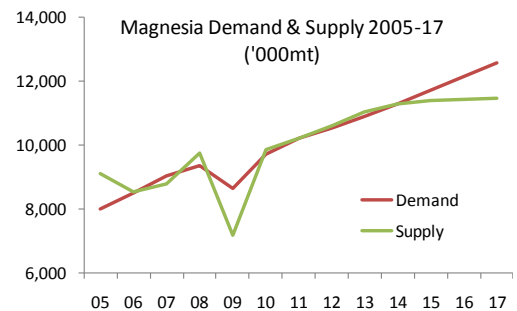
Close proximity to world class infrastructure

- The Leigh Creek deposits are located 20km northwest of the coal mining township of Leigh Creek in South Australia.
- A rail line operates between Leigh Creek and Port Augusta which connects to Port Pirie, 350km to the south of Leigh Creek.
- Port Pirie has access to national rail and road infrastructure, bulk shipping facilities, gas, power and skilled labour.
- Port Pirie is the preferred magnesia processing location, 220km north of Adelaide which has an established container terminal.



Compelling magnesia market dynamics

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



Robust project concept

- Testwork and market analysis supports production of CCM for metal precipitation market providing a good fit for the deposit.
- Magnesite could be processed in a straightforward open cut mining operation followed by crushing and screening.
- CCM could be produced using conventional, reliable and proven Herreshoff multiple hearth furnace (MHF) technology.

Leigh Creek CCM Assay Results

Sample	MgO	CaO	SiO ₂	Fe ₂ O ₃	Al ₂ O ₃
Sample 1	96.2	1.06	2.60	0.32	0.10
Sample 2	94.5	1.02	2.54	0.33	0.13
Sample 3	96.0	1.06	2.49	0.31	0.09
Sample 4	96.3	1.06	2.56	0.33	0.09
Average	95.8	1.05	2.55	0.32	0.10

OVERVIEW

Location

- The Leigh Creek deposits commence 20km northwest of the coal mining town of Leigh Creek.
- The deposits extend northwest for over 100km from the Northern Flinders Ranges into the Willouran Ranges.
- Leigh Creek is located 260km north of Port Augusta and 350km north of Port Pirie.
- Leigh Creek is connected to Port Augusta and Port Pirie by a standard gauge rail line and all weather bitumen roads.
- Port Pirie has access to bulk shipping facilities, national rail and road infrastructure, natural gas, power and skilled labor.
- Port Pirie is 220km north of Adelaide, the capital city of South Australia which has access to container shipping facilities.



History

- Magnesite has been mined in the Leigh Creek region on an irregular and small scale basis since the early 1900's.
- In the late 1990's, significant exploration and other study work was undertaken to develop a magnesium metal project based on the deposits.

Tenements

- Leigh Creek Magnesite Pty Ltd owns Exploration Licence EL 4567 Termination Hill and EL 4729 Witchelina.
- EL 4567 covers an area of 542km² and includes the Mount Hutton South, Mount Hutton, Mount Playfair, Pug Hill and Termination Hill magnesite deposits.
- EL 4729 covers an area of 452km² and includes the Witchelina magnesite deposit.



Resources

- The due diligence for the magnesium metal project included significant exploration, environmental, trial mining and metallurgical studies. Archer has access to these studies.
- The project did not proceed but the exploration work identified a JORC compliant resource of 453Mt grading 40-43% MgO, making Archer's Leigh Creek magnesite deposits the largest known cryptocrystalline magnesite resource in the world.

Leigh Creek Resources (Mt)

Deposit	Measured	Indicated	Inferred	Total
Mt Hutton South	0.0	30.0	0.0	30.0
Mt Hutton	18.3	42.0	53.0	113.3
Mt Playfair	0.0	21.0	23.0	44.0
Pug Hill	0.0	10.0	10.0	20.0
Termination Hill	4.0	5.0	20.0	29.0
Witchelina	23.7	94.0	99.0	216.7
Total	46.0	202.0	205.0	453.0

MAGNESIA INDUSTRY

Magnesia (magnesium oxide or MgO) characteristics

- A specialist industrial mineral with diverse markets.
- Produced from magnesite or from seawater/brines.
- High melting point of 2852°C/5,166°F.
- Physically and chemically stable at high temperatures.
- Reactive in its calcined form.
- An alkali.
- A nutrient.

Magnesia products

- Calcined magnesia (CCM) produced at 800-1,100°C.
- Deadburned magnesia (DBM) produced at 1,500-2,200°C.
- Electrofused magnesia (EFM) produced at > 2,800°C.

Magnesia applications

- DBM and EFM used predominantly in refractory applications:
 - Linings for high temperature furnaces in steel, cement, non-ferrous, glass and chemical industries.
 - DBM also used in welding flux applications.
 - EFM also used in electrical insulation applications.
- CCM used mainly in chemical applications:
 - Metal precipitation in nickel, cobalt, uranium and rare earths.
 - Plant and animal nutrition.
 - Waste and water treatment.
 - Iron and steel fluxing.
 - Pulp and paper and cellulose production.
 - Flame retardants.
 - Construction and general chemicals.

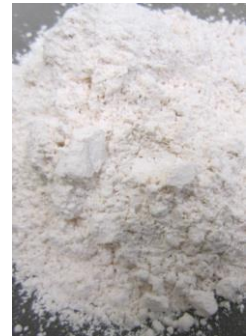
Magnesia market

- Magnesia demand was 10.55Mt in 2012 and is expected to grow at 3.6% pa out to 2017 to 12.61Mt an increase of 2.06Mt.
- Growth will be strongest in high value CCM metal precipitation, waste and water treatment and flame retardant applications.
- Announced capacity additions out to 2017 are 0.84Mt or 1.22Mt less than demand.
- Supply growth will be constrained by Chinese Government policy and limited availability of cryptocrystalline magnesite.
- Excess demand will continue to place upward pressure on prices particularly in strong growth, high value applications.

Magnesite



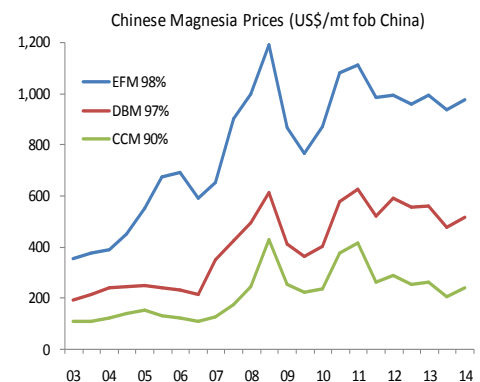
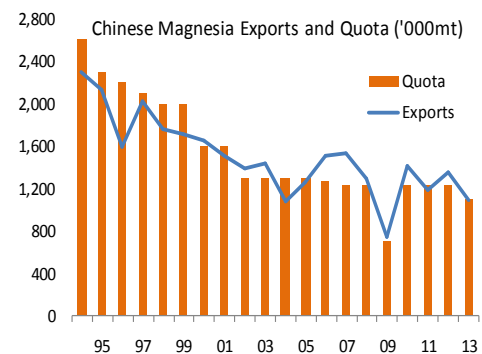
CCM



DBM



EFM



CONTACTS

A written Expression of Interest ("EOI") in relation to this document and the transaction is to be directed to the Ernst & Young representatives below:

David Ward

Director and Representative
Transaction Advisory Services
Ernst & Young
Level 51, 111 Eagle St
Brisbane QLD 4000
Tel: +61 7 3011 3270
Mobile: 0413 758 197
Email: david.ward@au.ey.com

Anuk Manchanda

Manager
Transaction Advisory Services
Ernst & Young
Level 51, 111 Eagle St
Brisbane QLD 4000
Tel: +61 7 3243 3784
Mobile: 0431 087 673
Email: anuk.manchanda@au.ey.com

Confidential

Disclaimer

This document has been prepared by Ernst & Young Transaction Advisory Services Limited. The information and opinions contained in this document are derived from public and private sources which we believe to be reliable and accurate but which, without further investigation, cannot be warranted as to their accuracy, completeness or correctness. This information is supplied on the condition that Archer, Ernst & Young Transaction Advisory Services Limited, and any partner or employee of Archer, Ernst & Young Transaction Advisory Services Limited or Ernst & Young, are not liable for any error or inaccuracy contained herein, whether negligently caused or otherwise, or for loss or damage suffered by any person due to such error, omission or inaccuracy as a result of such supply. In particular any numbers, valuations and schedules contained in this document are preliminary and are for discussion purposes only.

The information contained herein does not constitute an offer to sell or a solicitation of an offer or a recommendation to purchase securities under the securities laws of any jurisdiction, including the United States Securities Act of 1933, as amended, or any US state securities laws, or a solicitation to enter into any other transaction. Any securities transactions with a US-based buyer will be effected through Ernst & Young Corporate Finance (Canada) Inc., a US registered broker-dealer that is part of a global network with Ernst & Young Transaction Advisory Services Limited Australia in accordance with Rule 15a-6 under the United States Securities Exchange Act of 1934, as amended.