

17<sup>th</sup> March 2011

**ASX ANNOUNCEMENT / MEDIA RELEASE**

**Drilling has started on priority Eyre Peninsula targets**

- **A drill program to confirm historical graphite mineralisation at Sugarloaf**
- **A drill program to test for hematite mineralisation at Campoona**
- **A drill program to test for manganese mineralisation at Salt Creek**
- **A reconnaissance drill program to test for sulphide copper mineralisation at Emu Plain**

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Archer Exploration Limited is pleased to announce that drilling commenced on 16<sup>th</sup> March 2011 on a number of promising deposits and prospects near Cleve and Darke Peak on Eyre Peninsula, South Australia. Drilling is expected to take up to four weeks to complete.

Due to recent heavy rains the drill program as outlined below is nominal in nature as the actual sequence may change if access issues arise.

**Nominal Drill Schedule:**

Campoona hematite	16 <sup>th</sup> – 22 <sup>nd</sup> March
Emu Plain copper	23 <sup>rd</sup> – 24 <sup>th</sup> March
Salt Creek manganese	25 <sup>th</sup> – 31 <sup>st</sup> March
Sugarloaf graphite	1 <sup>st</sup> - 7 <sup>th</sup> April

Drilling results should be available by the end of April 2011.

## Sugarloaf Graphite

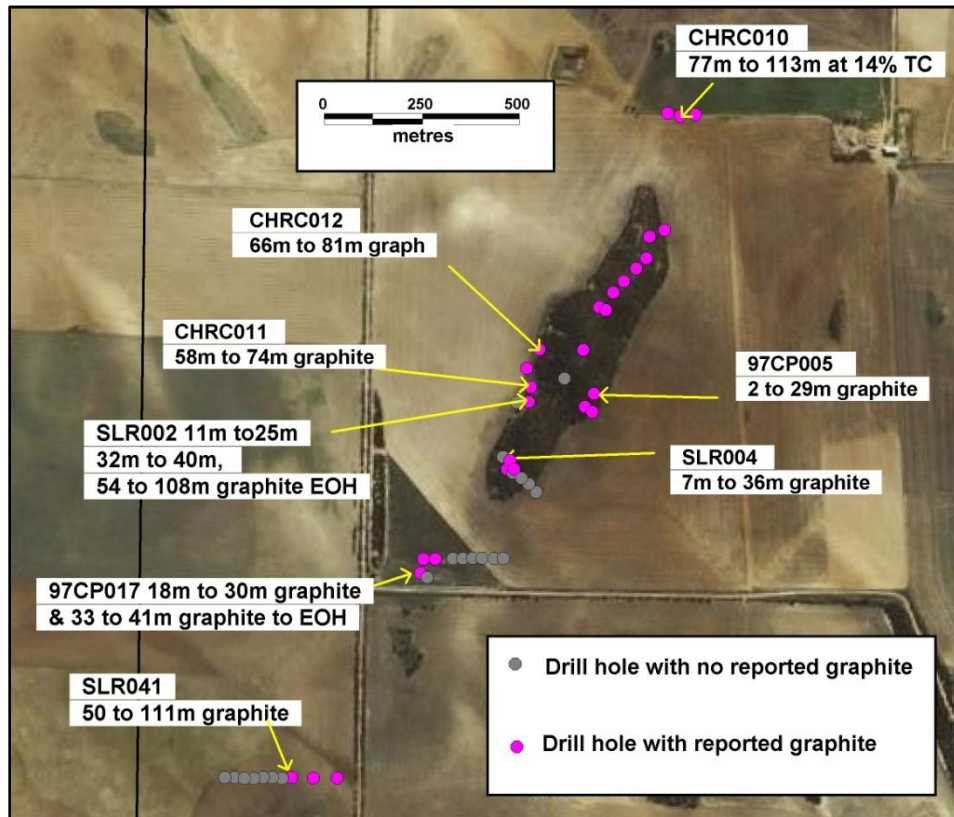
The Sugarloaf graphite deposit is located near Darke Peak on Eyre Peninsula South Australia. Prior to Archer Exploration Limited acquiring the tenement, drilling had recorded numerous intercepts of graphite. As graphite was not a focus the intervals were never assayed for carbon.

Archer has reviewed the historical drill logs that record intervals of graphite in 23 of the 41 holes drilled. Geological logs record intervals of graphite varying from 4 metres to 61 metres. The most significant historic graphite intercepts are tabled below:

Northing	Hole ID	From	To	Interval
3694	97CP005	2	29	27m
3940	SLR001	54	108	54m
3792	SLR004	7	36	29m
3504	97CP017	18	41 (EOH)	>23m
2982	SLR041	50	111	61m

**Table 1. All holes were drilled with a dip of 60 degrees, intervals reported are down-hole intercepts and do not represent true widths**

The locations of the holes indicate the potential for significant graphite over a strike length of at least 2 kilometres. Figure 1 below shows the holes in plan view along with an underlying electromagnetic (EM) image for the area. The graphite is highly conductive and the EM responses are considered to be largely due to the presence of graphite.



**Figure 1. Sugarloaf Hill with significant graphite drill holes.**

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### Campoona and Mt Desperate Hematite

The Campoona gravity anomaly is considered highly prospective for hematite due to the coincidence of a gravity high over banded iron formation which has had the magnetism largely destroyed.

The central hinge zone remains the primary target for hematite mineralisation, although significant gravity anomalies are recorded outside of this hinge zone.

The purpose of the drill program is test for the presence of high grade hematite that may support a DSO hematite operation.

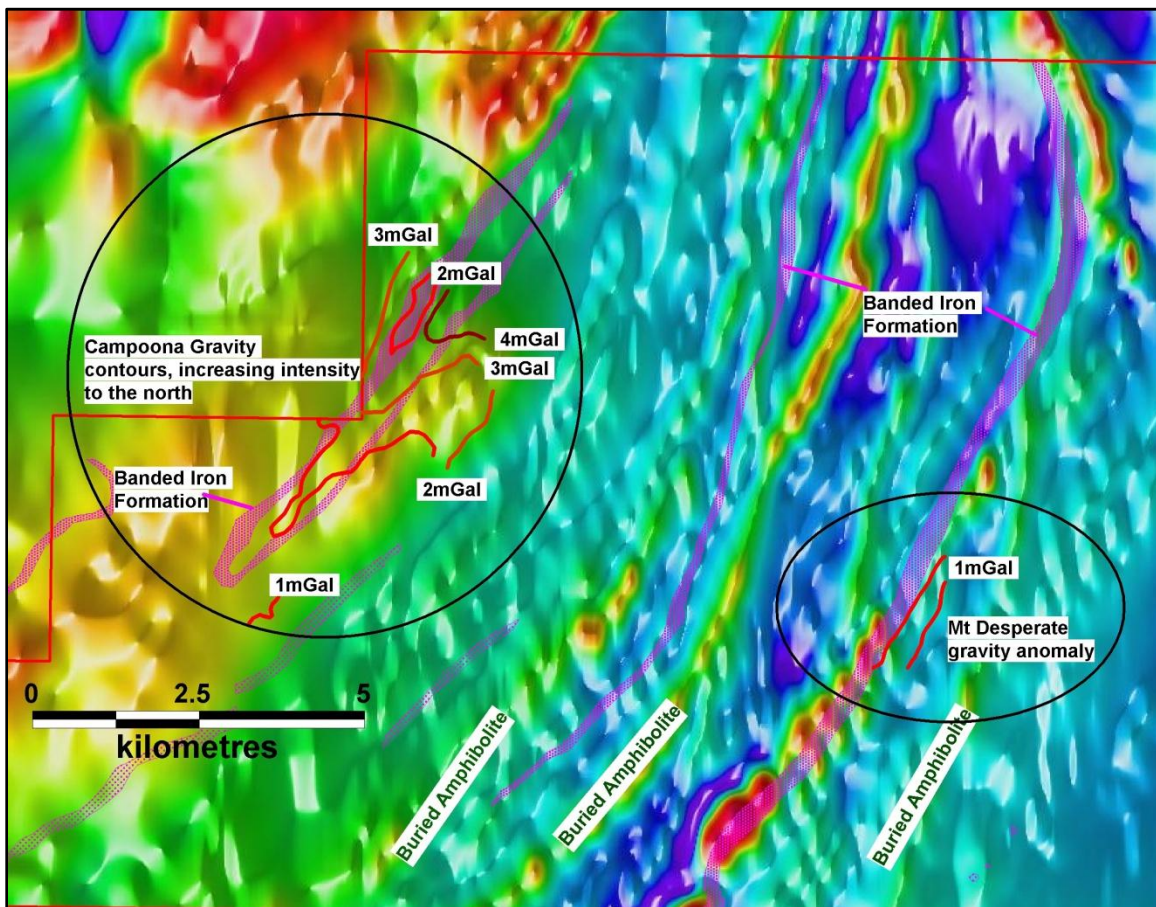


Figure 2. A magnetic image overlain by gravity targets



## Salt Creek Manganese

Manganese outcrops at Salt Creek over a 3 km strike with surface expressions indicating widths to 30 metres. Rock chip sampling has recorded manganese grades to 27% Mn.

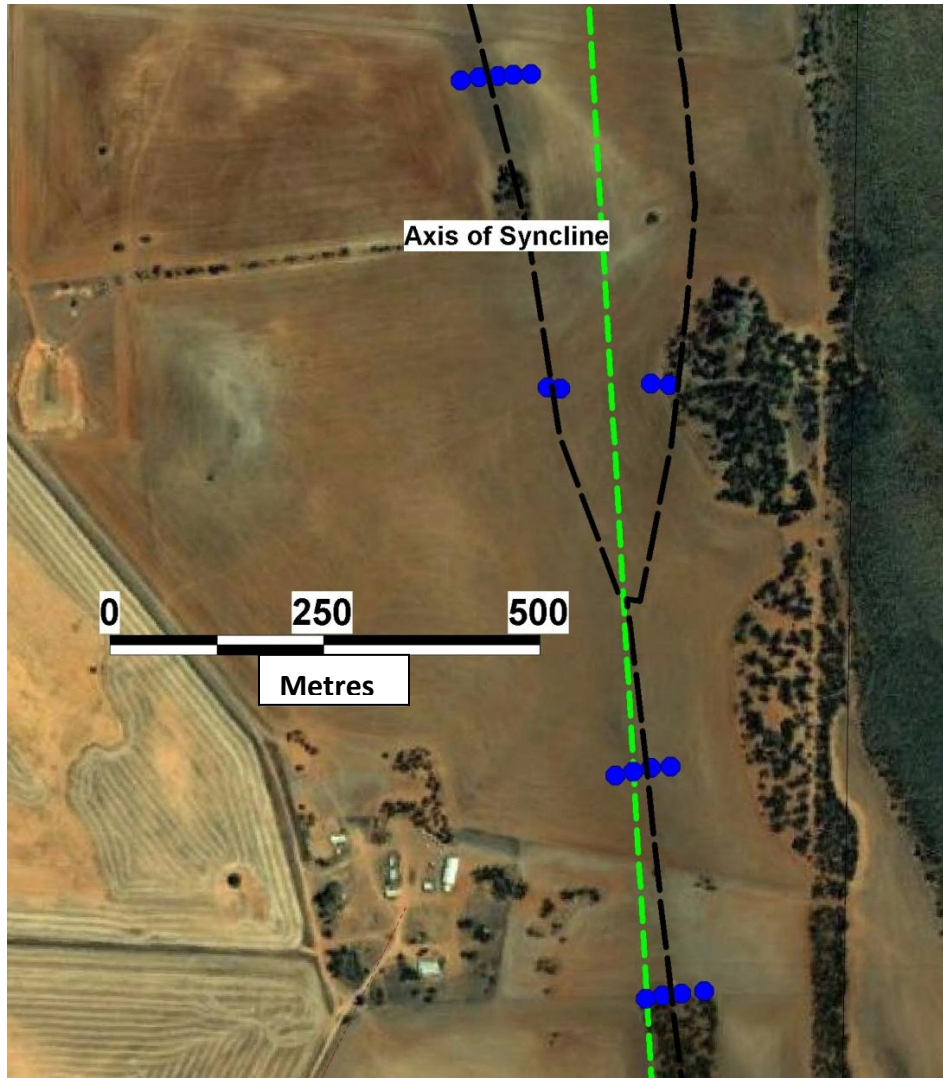


Figure 3. Hole locations at Salt Creek

Drilling will target the vertical extensions and width of manganese mineralisation present at the southern end of the deposit. The program, if successful will permit the development of an exploration target for the remaining untested strike length.

### Emu Plain Copper

As a part of regional reconnaissance the Emu Plain copper shaft was visited and a sample of the host rock was taken for petrology. Iron oxide 'blebs' seen in specimen were considered to be the result of weathering of sulphides, but the species was unknown. Petrological examination confirmed the oxides are after chalcopyrite, a primary copper sulphide.



**Figure 4.** Polished section (PS), (x50). Gossanous/goethite box-work with a fine trellis texture interpreted to represent original chalcopyrite now completely oxidised and leached.

Although there are numerous copper workings in the area, none observed have had the weathered sulphide present at the surface. Iron oxide pseudomorphs after chalcopyrite make Emu Plain an exciting drill target.

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*The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenhagen, Exploration Manager of Archer Exploration Limited. Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than sixteen years experience in the field of activity being reported. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

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