

13th March 2012

ASX ANNOUNCEMENT / MEDIA RELEASE

OUTSTANDING GRADES IN VISIBLY COARSE-GRAINED GRAPHITE AT CAMPOONA

Highlights

- High grade visibly coarse grained graphite drilled at Campoona.
- Continuity of graphite confirmed in over 4km of strike.
- Open along strike with EM results indicating overall strike in excess of 6km.
- The high grade graphite unit averages 10-15m in true width.
- The hangingwall section of the graphite unit grades over 15% graphitic carbon.
- Open at depth with no sign of lessening in grade or thickness with depth.
- As a result of the outstanding results drilling is planned to recommence shortly.

February Drilling Campaign

Six RC aircore drill holes were completed in mid February to test the Campoona graphite deposit north beyond the Campoona South outcrop.

The drilling was a resounding success demonstrating a thick sub-vertical zone of intense high grade graphite mineralisation carrying visible flake graphite.

The drilling was conducted using aircore techniques to minimise potential pulverisation of the graphite. As a result of the drilling technique employed two holes did not reach the graphite enriched zone as the granitic gneiss host rock proved too hard for the blade to penetrate.

Drilling Results

The best graphite intervals reported are;

- CSRC12_003 **24m @ 10.4%C** from 49m downhole
Including **10m @16.7%C** from 48m
and **3m @ 13.9%C** from 70m
- CSRC12_006 **21m @ 15.0%C from 46m** downhole
- CSRC12_007 **25m @ 10.9%C** from 64m downhole
Including **14m at 15.5%C** from 71m

The drilling is highly significant for a number of reasons:

- The high grade intersections carry visible flake graphite.
- The discrete intense graphite enriched unit is hosted within graphitic proto-gneiss formed under conditions important for the development of crystalline graphite.
- Field observations indicate little to no silicification of the graphite.
- The drilling demonstrated strong continuity in both grade and thickness of the high grade graphite unit.
- The grades reported from the thick high grade hangingwall zone are comparable in grade to the Lac Knife graphite deposit in Canada which is reportedly one of the world’s largest high grade graphite deposits.
- The drilling when combined with the electromagnetic data indicates a strike potential of at least 6km.
- The Campoona graphite deposit outcrops at Campoona South (25%C) and at the historic circa 1915 Campoona Shaft. Elsewhere the deposit lies under thin cover.
- The high grade graphite unit is sub-vertical and extends to a depth of at least 70 metres. The unit shows no sign of diminishing in grade or thickness with depth.

Figure 1 below shows the location of the holes drilled in the area with the targeted EM structure. The drill results for the Grid 2 drilling (G2RC12_001-G2RC_005) are expected within 2 weeks.

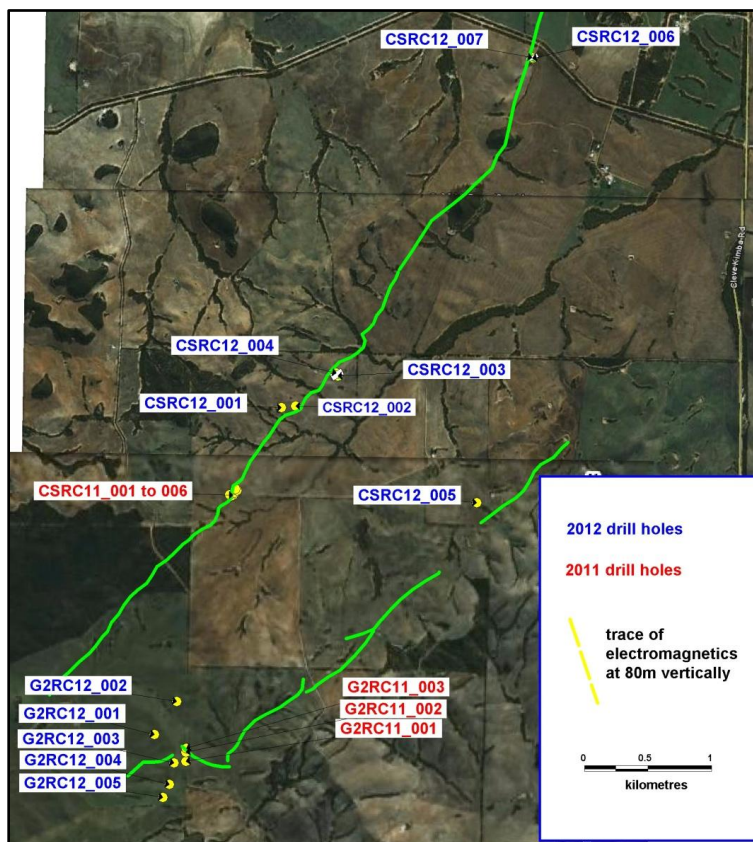


Figure 1. Location of all holes drilled in the Campoona / Grid2 area 2012 holes in blue.

Table 1 below presents the significant graphitic carbon results received to date.

| Hole ID | Depth From | Depth To | C% | | Hole ID | Depth From | Depth To | C% | | Hole ID | Depth From | Depth To | C% |
|------------|------------|----------|-------|--|------------|------------|----------|------|--|------------|------------|----------|------|
| CSRC12_003 | 48 | 49 | 1.14 | | CSRC12_007 | 62 | 63 | 0.78 | | CSRC12_006 | 41 | 42 | 0.22 |
| CSRC12_003 | 49 | 50 | 19.5 | | CSRC12_007 | 63 | 64 | 3.25 | | CSRC12_006 | 42 | 43 | 0.66 |
| CSRC12_003 | 50 | 51 | 18.0 | | CSRC12_007 | 64 | 65 | 4.67 | | CSRC12_006 | 43 | 44 | 1.96 |
| CSRC12_003 | 51 | 52 | 19.45 | | CSRC12_007 | 65 | 66 | 13.8 | | CSRC12_006 | 44 | 45 | 0.79 |
| CSRC12_003 | 52 | 53 | 19.45 | | CSRC12_007 | 66 | 67 | 0.7 | | CSRC12_006 | 45 | 46 | 0.13 |
| CSRC12_003 | 53 | 54 | 20.4 | | CSRC12_007 | 67 | 68 | 0.7 | | CSRC12_006 | 46 | 47 | 13.0 |
| CSRC12_003 | 54 | 55 | 14.5 | | CSRC12_007 | 68 | 69 | 1.23 | | CSRC12_006 | 47 | 48 | 18.4 |
| CSRC12_003 | 55 | 56 | 12.4 | | CSRC12_007 | 69 | 70 | 1.23 | | CSRC12_006 | 48 | 49 | 17.4 |
| CSRC12_003 | 56 | 57 | 17.55 | | CSRC12_007 | 70 | 71 | 5.06 | | CSRC12_006 | 49 | 50 | 16 |
| CSRC12_003 | 57 | 58 | 9.84 | | CSRC12_007 | 71 | 72 | 16.9 | | CSRC12_006 | 50 | 51 | 17.2 |
| CSRC12_003 | 58 | 59 | 16.0 | | CSRC12_007 | 72 | 73 | 16.3 | | CSRC12_006 | 51 | 52 | 15.6 |
| CSRC12_003 | 59 | 60 | 9.57 | | CSRC12_007 | 73 | 74 | 15.9 | | CSRC12_006 | 52 | 53 | 15.9 |
| CSRC12_003 | 60 | 61 | 6.03 | | CSRC12_007 | 74 | 75 | 13.4 | | CSRC12_006 | 53 | 54 | 16.2 |
| CSRC12_003 | 61 | 62 | 3.43 | | CSRC12_007 | 75 | 76 | 16.3 | | CSRC12_006 | 54 | 55 | 17.0 |
| CSRC12_003 | 62 | 63 | 2.4 | | CSRC12_007 | 76 | 77 | 15.2 | | CSRC12_006 | 55 | 56 | 17.2 |
| CSRC12_003 | 63 | 64 | 0.49 | | CSRC12_007 | 77 | 78 | 15.6 | | CSRC12_006 | 56 | 57 | 16.8 |
| CSRC12_003 | 64 | 65 | 6.41 | | CSRC12_007 | 78 | 79 | 16.0 | | CSRC12_006 | 57 | 58 | 16.4 |
| CSRC12_003 | 65 | 66 | 4.43 | | CSRC12_007 | 79 | 80 | 15.3 | | CSRC12_006 | 58 | 59 | 17.5 |
| CSRC12_003 | 66 | 67 | 1.77 | | CSRC12_007 | 80 | 81 | 15.4 | | CSRC12_006 | 59 | 60 | 16.2 |
| CSRC12_003 | 67 | 68 | 0.28 | | CSRC12_007 | 81 | 82 | 15.7 | | CSRC12_006 | 60 | 61 | 16.3 |
| CSRC12_003 | 68 | 69 | 0.5 | | CSRC12_007 | 82 | 83 | 15.4 | | CSRC12_006 | 61 | 62 | 15.6 |
| CSRC12_003 | 69 | 70 | 5.69 | | CSRC12_007 | 83 | 84 | 15.5 | | CSRC12_006 | 62 | 63 | 15.0 |
| CSRC12_003 | 70 | 71 | 10.6 | | CSRC12_007 | 84 | 85 | 13.4 | | CSRC12_006 | 63 | 64 | 12.6 |
| CSRC12_003 | 71 | 72 | 13.65 | | CSRC12_007 | 85 | 86 | 5.84 | | CSRC12_006 | 64 | 65 | 1.5 |
| CSRC12_003 | 72 | 73 | 17.45 | | CSRC12_007 | 86 | 87 | 5.94 | | CSRC12_006 | 65 | 66 | 10.1 |
| | | | | | CSRC12_007 | 87 | 88 | 8.91 | | CSRC12_006 | 66 | 67 | 12.9 |
| | | | | | CSRC12_007 | 88 | 89 | 9.01 | | CSRC12_006 | 67 | 68 | 3.2 |
| | | | | | CSRC12_007 | 89 | 90 | 1.02 | | CSRC12_006 | 68 | 69 | 1.59 |
| | | | | | CSRC12_007 | 90 | 91 | 0.65 | | | | | |
| | | | | | CSRC12_007 | 91 | 92 | 4.82 | | | | | |
| | | | | | CSRC12_007 | 92 | 93 | 3.09 | | | | | |
| | | | | | CSRC12_007 | 93 | 94 | 0.53 | | | | | |

Table 1 Significant carbon results for graphite drilling at Campoona

For further information please contact:

Mr Greg English
Chairman
Archer Exploration Limited
Tel: (08) 8272 3288

Mr Gerard Anderson
Managing Director
Archer Exploration Limited
Tel: (08) 8272 3288

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 seventeen 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.

For personal use only