Archer Exploration Limited
ABN 64 123 993 233
Level 1, 28 Greenhill Road
Wayville, SA 5034
Australia
Telephone +61 (0)8 8272 3288
Facsimile +61 (0)8 8272 3888
info@archerexploration.com.au
www.archerexploration.com.au

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**ASX ANNOUNCEMENT / MEDIA RELEASE**

# Salt Creek Manganese Drilling and Ketchowla Manganese Beneficiation Results

## Highlights

- **Widespread manganese intersected in all 19 RC drill holes completed in April 2011.**
- **The drilling tested 1.5km of strike or just 15% of the known strike length of at least 10km. The eastern limb and western flanks of the syncline yet to be drill tested.**
- **Significant manganese intercepts including:**
  - **5m at 12.47% Mn from 14 to 19m in SCRC11_002**
  - **57m @ 6.44% Mn from 0-57m in SCRC_003 including 11m at 12.35% Mn from 42 to 53m**
  - **7m at 12.12% Mn from 5 to 12m in SCRC11_005**
- **At Ketchowla test work using density separation and gravity concentration successfully upgraded a composited sample of Ketchowla KI manganese drill cuttings grading 17.47% Mn to >35% Mn at a 23.21% recovery.**

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Archer Exploration Limited completed a 19 hole RC drilling program over the Salt Creek manganese deposit located near Cleve on Eyre Peninsula, South Australia during April 2011.

The drilling targeted an area of discontinuous north-south striking manganese outcrops occurring within cropping paddocks. Previous rock chip samples had returned manganese grades to 27% Mn.

The drilling highlighted that manganese occurs in three different rock units:

1. High iron manganese associated with weathered Lower Middleback banded iron formation.
2. Fine manganese in weathered pelitic sediments (clays and schists).
3. Up to 5mm fine manganese nodules within transported silica-rich sand.

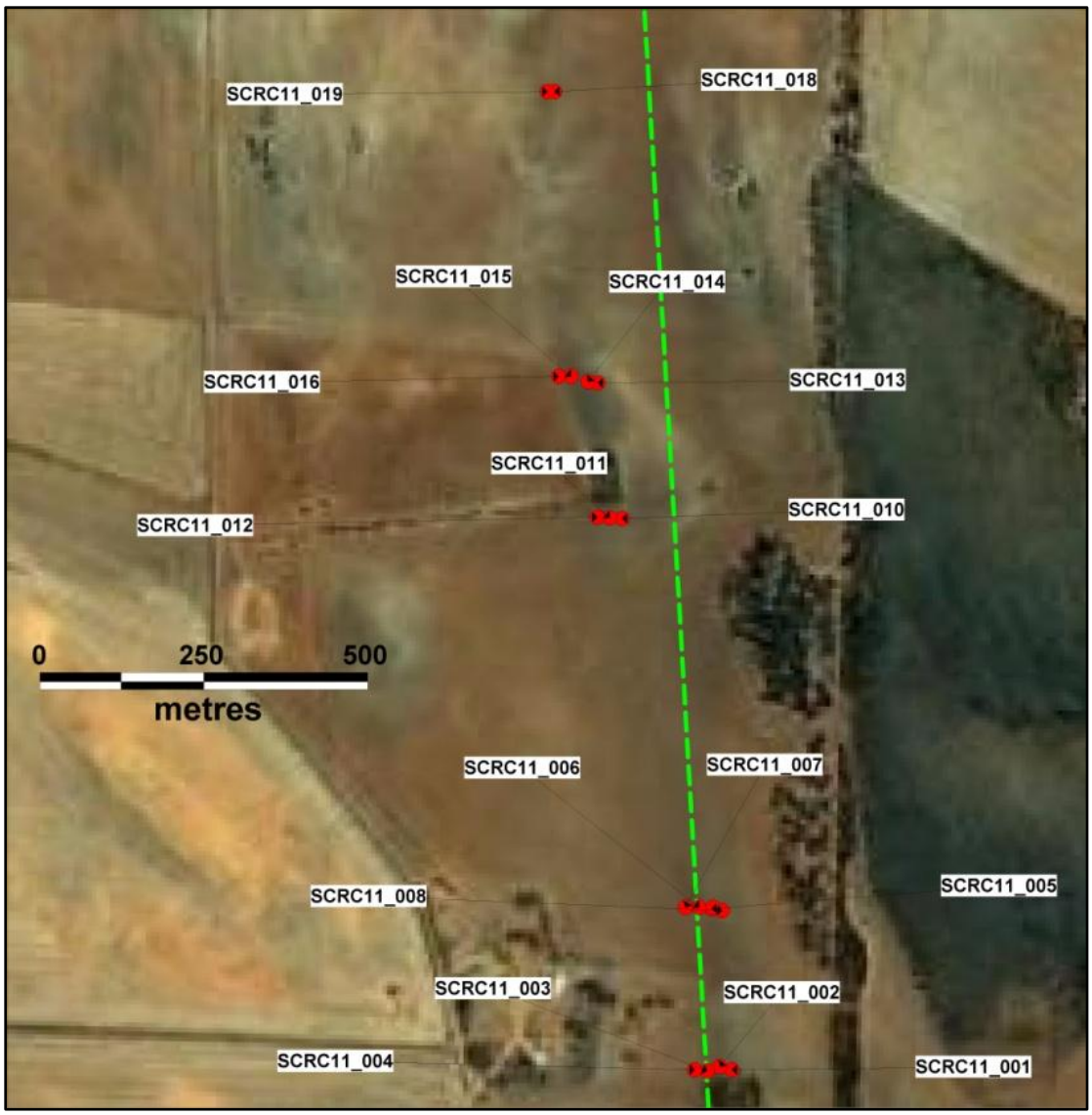


**Figure 1. Location of Salt Creek Drill holes**

The manganese units appear to comprise two limbs of an overturned syncline with a western limb consisting of sporadic outcrops of high-iron manganese and an eastern limb of manganese and silica-rich manganese adjacent to quartzite/leached BIF. The drilling only targeted the easternmost portion of the western limb with the eastern limb yet to be drill tested.

The presence of fine (<5mm) nodular manganese within unconsolidated silica-rich sand suggests that the manganese was locally re-precipitated. The silica-rich sand units are thought to represent an old scarp (cliff face) possibly formed as a result of faulting. The silica-rich sand hosted nodular manganese was intersected in holes SCRC_001 - SCRC_004. Holes SCRC_005 – SCRC_019 were drilled to the east of the silica-rich sands. The implication is that manganese mineralisation may continue to the west of the drilling, as well as to the east in the buried syncline.

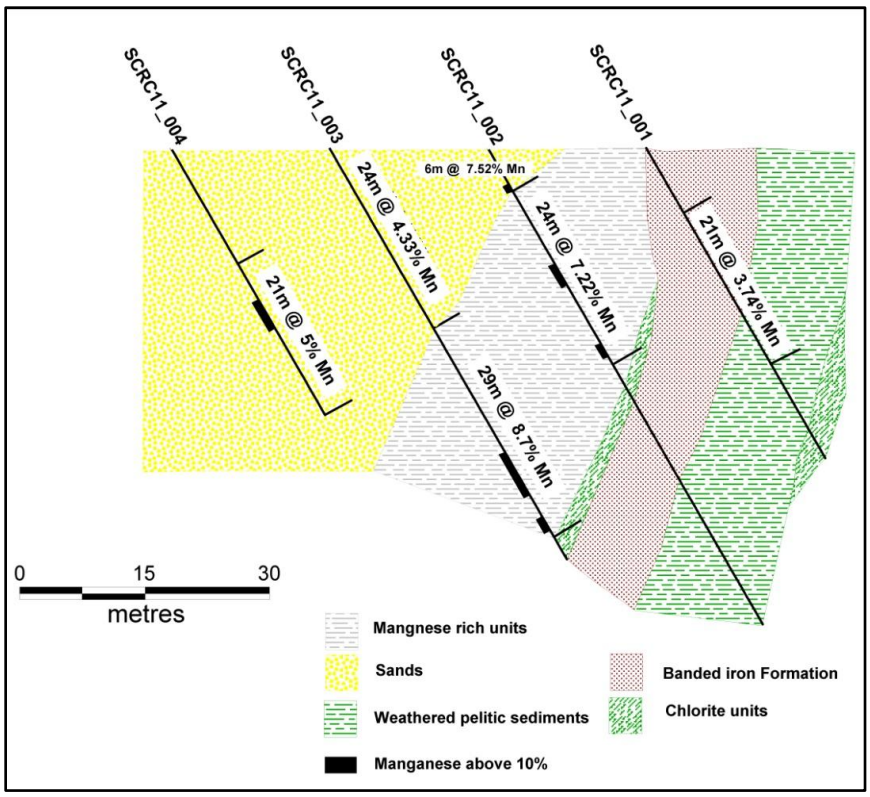


**Figure 2. Geology of southern drill line with manganese intervals reported.**

Manganese associated with weathered Lower Middleback banded iron formation is high in iron. The degree of iron enrichment encountered during drilling is highlighted in a rock sample, see figure 3 (below).

**Figure 3. Limonite and manganese within outcrop**

All 19 drill holes encountered highly anomalous manganese as shown in table 1, below.

| Hole Id | From | To | Interval | Mn % | Fe % | Lithology |
|---|---|---|---|---|---|---|
| SCRC11_001 | 0 | 9 | 9 | 1.13 | 22.9 | schist and BIF |
| and | 9 | 30 | 21 | 3.74 | 39 | weathered BIF |
| SCRC11_002 | 0 | 6 | 6 | **7.52** | 36 | weathered BIF |
| and | 6 | 30 | 24 | **7.22** | 26.32 | weathered schist |
| SCRC11_003 | 0 | 24 | 24 | 4.33 | 4.2 | Silica sand with nodules |
| and | 24 | 53 | 29 | **8.7** | 26.89 | weathered schist |
| SCRC11_004 | 16 | 37 | 21 | **5.04** | 5.9 | Silica sand with nodules |
| SCRC11_005 | 0 | 12 | 12 | **9.62** | 25 | weathered schist |
| SCRC11_006 | 12 | 26 | 14 | 4.3 | 25.48 | weathered schist |
| SCRC11_007 | 44 | 59 | 15 | 2.41 | 24.31 | weathered schist |
| SCRC11_008 | 8 | 19 | 11 | 2.54 | 17.05 | weathered schist |
| SCRC11_009 | 0 | 24 | 24 | **5.45** | 26.94 | weathered schist |
| SCRC11_010 | 0 | 27 | 27 | 3.48 | 22.45 | weathered schist |
| SCRC11_011 | 10 | 42 | 32 | **5.26** | 23.75 | weathered schist |
| SCRC11_012 | 30 | 38 | 8 | 2.35 | 22.92 | weathered schist |
| SCRC11_013 | 0 | 14 | 14 | 1.67 | 30.75 | weathered BIF |
| and | 14 | 28 | 14 | 4.72 | 21.25 | weathered schist |
| SCRC11_014 | 10 | 30 | 20 | 4.61 | 34.42 | weathered BIF |
| and | 41 | 46 | 5 | 4.84 | 13.68 | weathered schist |
| SCRC11_015 | 23 | 46 | 23 | 2.65 | 29.57 | weathered BIF |
| SCRC11_016 | 32 | 43 | 11 | 2.89 | 33.24 | weathered BIF |
| SCRC11_017 | 4 | 12 | 8 | 3.4 | 1.08 | highly silicified |
| SCRC11_018 | 1 | 3 | 2 | **5.99** | 13.69 | weathered schist |
| SCRC11_019 | 0 | 25 | 25 | 2.98 | 9.34 | weathered schist |

**Table 1. Manganese intervals for all Salt Creek drill holes**

The Salt Creek manganese deposit has a strike length of at least 10km as evidenced by rock chip sampling and the recent drilling program and as indicated by historical mapping and sampling (CRA-1978, Shell-1986 and Aberfoyle-1991), figure 4 below.

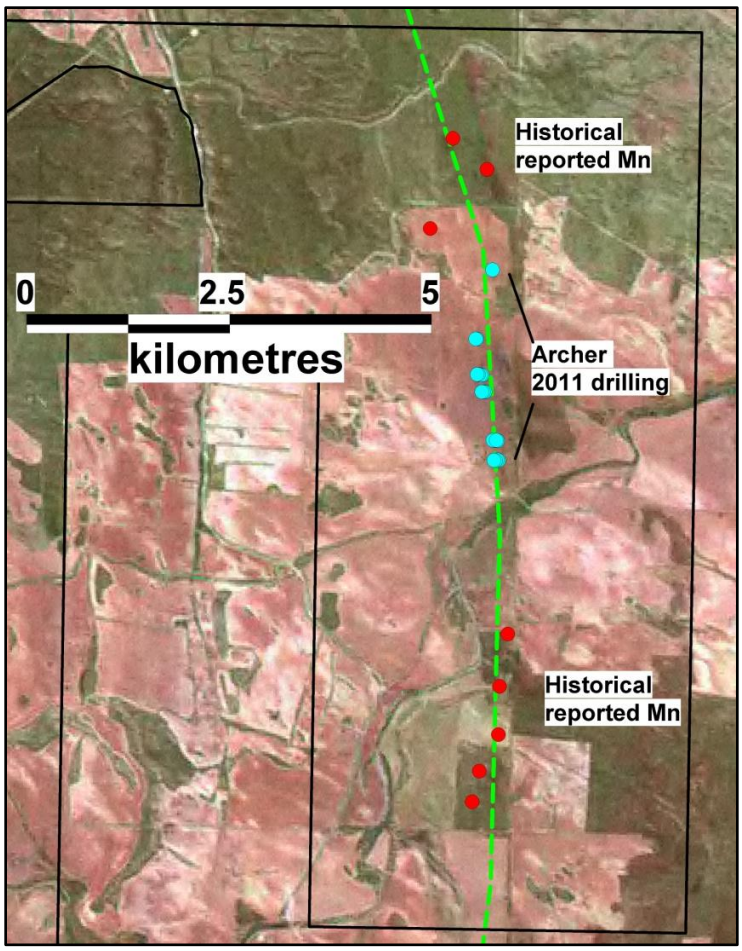


**Figure 4 The potential strike extensions to the Salt Creek manganese deposit**

Representative samples of the three styles of manganese mineralisation will be collected for dense media and gravity concentration tests.

**Ketchowla Manganese Beneficiation Test Results**

A composite RC drill hole sample from the Ketchowla manganese deposit was sent to Nagrom in Kelmscott, Perth for dense media separation and gravity concentration. The tests successfully upgraded the 17.47% Mn composite RC drill sample to >35% Mn (at an excellent recovery of 23.2% recovery) as shown in the table below.

| Product Summary | Yield (%) | Mn | | Fe | | $SiO_2$ | |
|---|---|---|---|---|---|---|---|
| | | % | dist | % | dist | % | dist |
| Coarse Concentrate | 11.99% | **36.49** | 25.04% | 1.77 | 5.12% | 17.42 | 5.21% |
| Fines Concentrate | 2.58% | **38.95** | 5.74% | 5.42 | 3.37% | 8.75 | 0.56% |
| Middlings | 8.64% | **33.67** | 16.65% | 3.65 | 7.61% | 18.68 | 4.02% |
| Waste | 76.79% | 11.96 | 52.56% | 4.53 | 83.91% | 47.11 | 90.21% |
| **Calculated Head** | **100.00%** | **17.47** | **100.00%** | **4.15** | **100.00%** | **40.11** | **100.00%** |

**Table 2. Dense media and gravity results for K1 composite manganese drill sample**

The resultant upgraded manganese has low iron and high manganese. The test work also demonstrated that the already high nickel, cobalt, copper, zinc and rare earth elements grades in Ketchowla manganese can be substantially increased through the beneficiation process. Upgrading of the Ni (0.258% to 0.412%); Co (0.175% to 0.296%); Cu (0.226% to 0.377%) and Zn (0.164% to 0.277%) was achieved in the combined coarse and fine concentrate and the middlings products. Yttrium similarly increased from 113.2ppm to 204ppm.

A ground gravity survey has been completed at Ketchowla. The gravity data is being processed with the aim of identifying areas of manganese under surficial cover for subsequent drill testing.

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 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.*