



ASX ANNOUNCEMENT / MEDIA RELEASE

3rd August 2012

CONTINUING HIGH GRADE GRAPHITE INTERCEPTS IN CAMPOONA RESOURCE DRILLING

Highlights

- Second round of assays from Campoona Resource drilling has recorded continuing wide, high grade graphite intervals.
- Significant results include:
 - 70m @ 15.7%TGC from 51m in hole CSRC12_047
 - 63m @ 11.2%TGC from 47m in CSRC12_059
 - 35m @ 14.0%TGC from 20m in CSRC12_040
- Latest results confirm continuation continuity of graphite for 600m along strike.
- Further announcements with results from the recently completed EM survey and RC and diamond drilling programme will be made over the coming weeks.

Archer Exploration Limited (“Archer”) announced on 17th July 2012 that the RC component of Resource drilling over the Campoona Shaft portion of the Campoona Graphite Deposit had been completed. The Campoona Graphite Project is located approximately 12km north of the township of Cleve on Eyre Peninsula, South Australia.

The assay results from the next 11 holes are reported in full at the end of this release. Hole **CSRC12_047** reported **70m @ 15.7%TGC** (from 51m) with the interval including the highest grade reported to date of **1m @ 30.7%TGC** (112-113m).

Assay results from the RC drilling continue to confirm the thickness and grade of the high grade graphite. Results included:

Hole ID	From (m)	To (m)	Interval (m)	Assay %TGC	Lithology
CSRC12_040	20	55	35	13.0	graphitic schist
	incl 20	44	24	15.3	
CSRC12_044	18	54	36	11.0	gneiss and graphitic schist
	incl 35	51	16	16.6	
CSRC12_047	51	121	70	15.7	gneiss and graphitic schist
	incl 52	107	55	17.6	
CSRC12_059	47	110	63	11.2	gneiss and graphitic schist to EOH

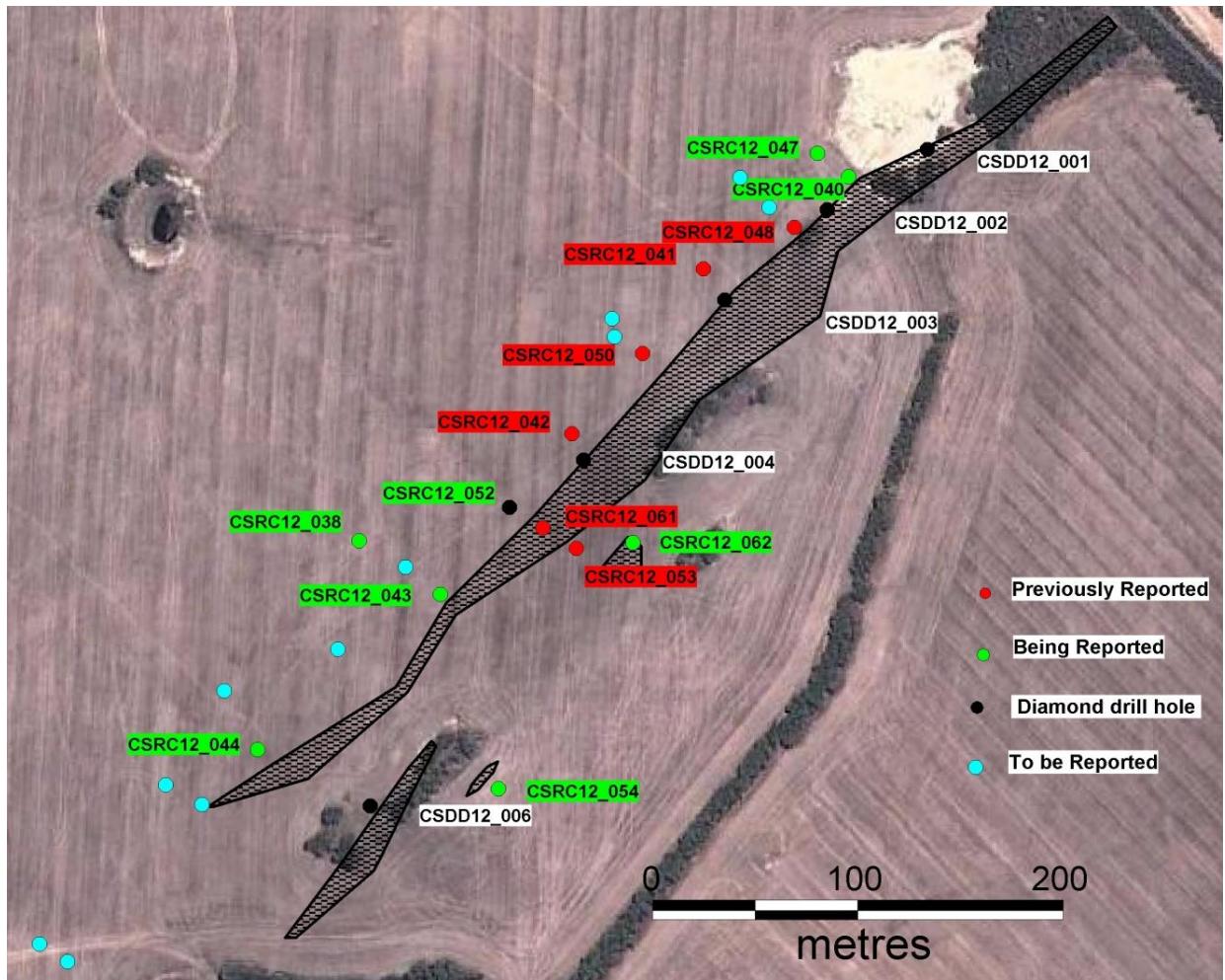


Figure 1. Updated Campoona Shaft drill hole locations

Diamond Drilling

Four diamond drill holes have been completed to date. Wide intervals of graphite were intersected in all holes.

CSDD12_004, drilled at -80° on an azimuth of 120° to a depth of 115m, intersected intense **graphite mineralisation from 17m to the base of the drill hole at 115m**. The hole was terminated in graphite due to tightening of the ground.

CSDD12_005 was a re-entry of CSRC12_052 where graphite was intersected at 28m. Highly **graphitic schist was intersected from 28m to 71m**. The hole was terminated in oxidised gneiss.

CSDD12_006 was drilled in the south immediately west of outcropping graphite, intersected **highly weathered graphitic schist to 21m**. The hole was terminated in hard gneiss at 60m.

CSDD12_002 has commenced and has intersected **highly graphitic schist from 11m to 40m** and is expected to continue to +100m.



Plate 1. HQ drill core of highly graphitic schist in hole CSDD12_003



Plate 2. The contact between the host proto-gneiss and graphitic schist in sump for CSDD12_004



Plate 3. HQ drill core of highly graphitic schist in hole CSDD12_005



Close up of Core CSDD12_005

The diamond drill program is expected to be completed within 2 weeks. Progressive announcements will be made as and when results come to hand.

The airborne survey re-commenced over the weekend of the 22nd July and was completed on the 30th July. It is anticipated that it will take 2-3 weeks to receive processed data due to the size of the survey.

Following completion of the Campoona Shaft diamond drilling, the diamond rig will move to drill two diamond drill holes into the Company's nearby Sugarloaf Graphite Deposit.

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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 eighteen years experience in the field of activity being reported. Mr Bollenhagen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" relating to the reporting of Exploration Results. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

RC drilling results

Hole ID	From (m)	To (m)	Interval (m)	Assay %TGC	Lithology	
CSRC12_038	0	109	109	0.2	gneiss	
CSRC12_040	20	55	35	13.0	graphitic schist	
	incl	20	44	24	15.3	
CSRC12_043	0	34	34	7.4	gneiss and graphitic schist	
	incl	16	33	17	12.1	
CSRC12_044	18	54	36	11.0	gneiss and graphitic schist	
	incl	35	51	16	16.6	
CSRC12_047	51	121	70	15.7	gneiss and graphitic schist	
	incl	52	107	55	17.6	
		112	113	1	30.7	
	and	130	145	15	7.3 EOH	
CSRC12_051	12	100	88	5.0	gneiss and graphitic schist	
	incl	15	21	6	12.0	
		78	85	7	16.1	
CSRC12_052	27	28	1	8.0	pre-collar for CSDDH12_05	
CSRC12_054	3	31	28	4.0	gneiss and chert	
CSRC12_057	4	26	22	4.6	gneiss and BIF	
CSRC12_059	47	110	63	11.2	gneiss and graphitic schist to EOH	
	incl	47	60	13	15.8	
	incl	64	98	34	12.9	graphitic gneiss and schist
CSRC12_062	0	18	18	4.1	gneiss	
	and	38	44	6	9.3	gneiss and graphitic schist