

**ASX ANNOUNCEMENT / MEDIA RELEASE**

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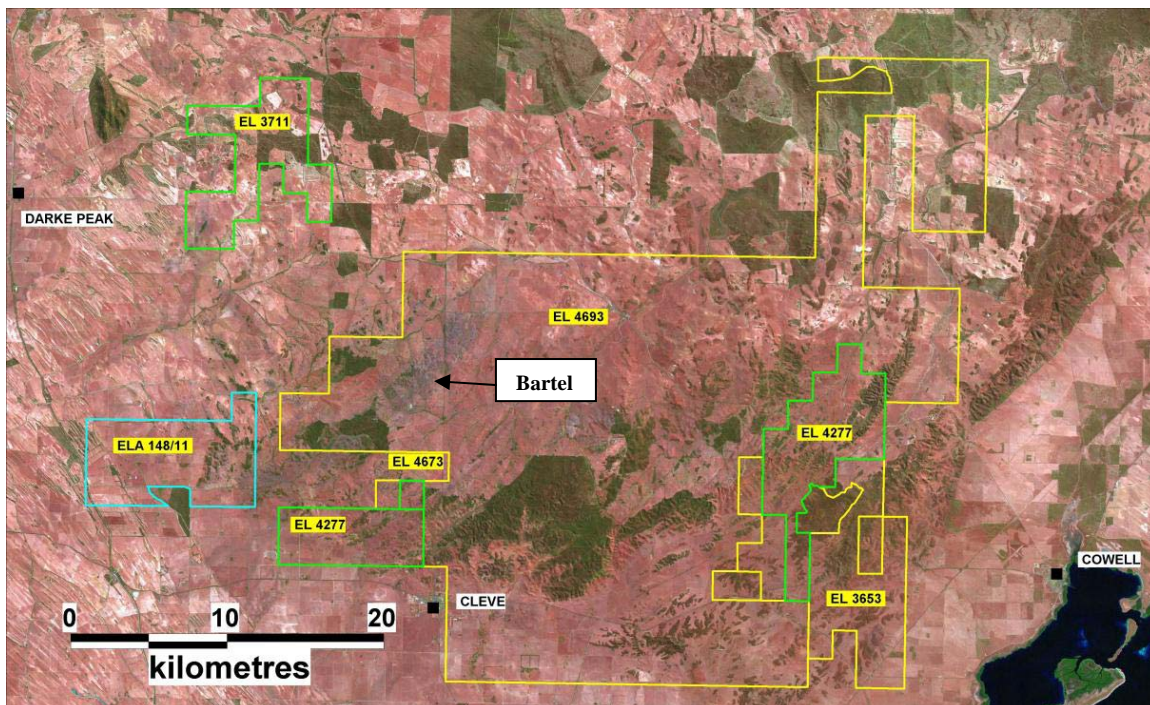
General Manager  
 The Company Announcements Office  
 Australian Securities Exchange

**FREE GOLD RECORDED AT BARTEL EPITHERMAL PROSPECT**

**Highlights**

- Free gold reported in petrological thin section
- Further fluorite identified along strike from Bartel
- Petrology and electromagnetic data indicates the presence of a very large alteration system

Archer Exploration Limited completed a drill programme testing the Company’s main graphite deposits in February 2012. As a part of that drilling campaign three (3) RC drill holes were completed on the Bartel Epithermal Gold Prospect which is located on EL4693 Wildhorse Plain 15km north of the township of Cleve on Eyre Peninsula, South Australia (Fig 1).



**Figure 1. Archer’s Graphite Tenements and Interests in the Cleve Area of South Australia showing the location of the Bartel Epithermal exploration target.**

The three holes were drilled to intersect the NE-SW trending mineralisation which has resulted from strong alteration of a dolomite host unit.

EPIRC12\_001 intersected a highly anomalous gold interval of 29m grading 0.57g/t Au within a chlorite rich shear zone. The gold anomalism and alteration appears to correspond with the EM data. The host lithology is a dolomitic unit that has undergone stylolitic quartz and manganese veining and brecciation.

Hole ID	From	To	Interval	Au g/t	Ag g/t	Co ppm	Mo ppm	As ppm
EPIRC12_001	79	107	29	0.57	4	560	95	1200
Incl.	84	85	1	2.15	6	1090	160	2760

**Table 1. Gold intercepts at Bartel**

### **Significance of Anomalous Gold**

The widespread alteration geochemistry suggests the Bartel prospect to be a low sulphidation hydrothermal (epithermal) alteration system. The area of known alteration is very large being at least 1.5km x 1.2km in dimensions and is seen to extend under cover.

Low sulphidation epithermal alteration systems often record strong vertical mineral zonation and can host bonanza grade gold veins. In such systems gold is often concentrated through a combination of ground preparation (permeability) and rheological contrast.

### **Supporting Petrology**

Rock samples were collected from a wide area at Bartel for detailed petrological examination by Pontifex and Associates in Adelaide. A total of 15 samples were taken from RC drill chips and rock chips.

Most samples indicated widespread hydrothermal alteration consisting of argillic and potassic alteration and the formation of extensive quartz breccias.

Importantly one of the petrology samples recorded **free gold** associated with antimony within a carbonate host rock that had undergone silica flooding and brecciation. This is the first time free gold has been identified at Bartel.



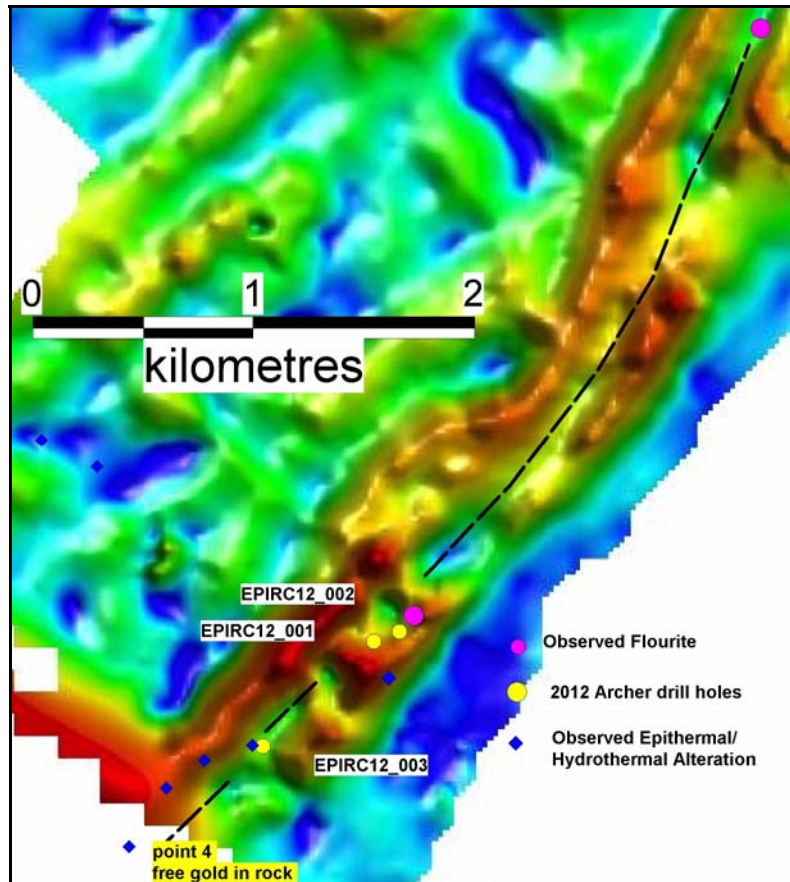
**Figure 2. Carbonate breccia largely replaced by quartz, carrying a one grain of free gold associated with an equally fine soft grey metallic mineral which is possibly antimony.**

### **Electromagnetic Survey**

The areas around the Bartel gold occurrence were flown as part of the recent airborne EM survey that targeted the Company's numerous graphite deposits and prospects. The aim of extending the EM coverage over Bartel was to assist in the understanding the orientation and strike of the epithermal alteration system. The EM (Figure 3) has indicated a considerable north-east extension to the alteration system. The extension is further supported by a historic geology report that cited fluorite some 3.5km's NNE of Bartel.

A deeper conductive target occurs some 100m vertically below the gold interval in EPIRC12\_001.

The EM has also highlighted highly conductive orthogonal cross cutting structures that may represent possible ground preparation sites.



**Figure 3. Exploration drill holes, fluorite localities and rock chips over the recent EM data (140m depth)**

Future work will include mapping and sampling of the alteration system with a view to better define the extent of the hydrothermal system and define future drill targets.

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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.*