

9th October 2012

ASX ANNOUNCEMENT / MEDIA RELEASE

FINAL CAMPOONA SHAFT METALLURGICAL DRILL HOLE RESULTS

HIGHLIGHTS

- **Results for the last two metallurgical diamond drill holes at Campoona Shaft have been received. Significant results include:**
 - **31m @ 14.4%TGC from 16m in hole CSDD12_001**
 - **77m @ 17.2%TGC from 11m in hole CSDD12_002**

- **All Resource drilling at Campoona Shaft has been completed with Resource estimation completed by December 2012.**

CAMPOONA DIAMOND DRILLING

Assay results have been received for the outstanding two diamond drill holes at Campoona Shaft. Resource drilling at Campoona Shaft was completed on a nominal 50m x 20m pattern to depths of 80-100m (Figure 1). Resource modelling has commenced and is expected to be completed by December 2012.

Receipt of the final assays has also signalled the start of more detailed composite metallurgical testing to test metallurgical responses across the length, breadth and depth of the deposit. Metallurgical results will be released to the market as and when they are finalised.

Diamond drill results for Campoona Shaft include:

Diamond Hole ID	From (m)	To (m)	Interval (m)	Assay (TGC)	Lithology
CSDD12_001	16	47	31	14.7%	Graphitic schist
CSDD12_002	11	88	77	17.2%	Graphite schist to EOH

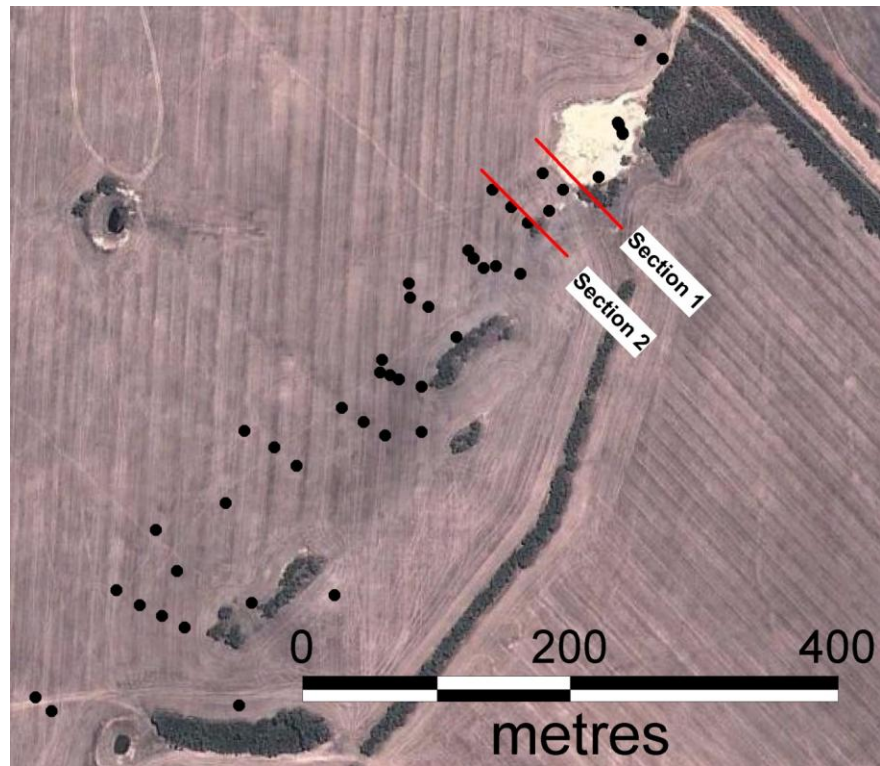


Figure 1. Plan view of Campoona Graphite Deposit showing section locations



Plate 1. CSD12_001 core from 31.4 – 39.6m within zone of complete oxidation.

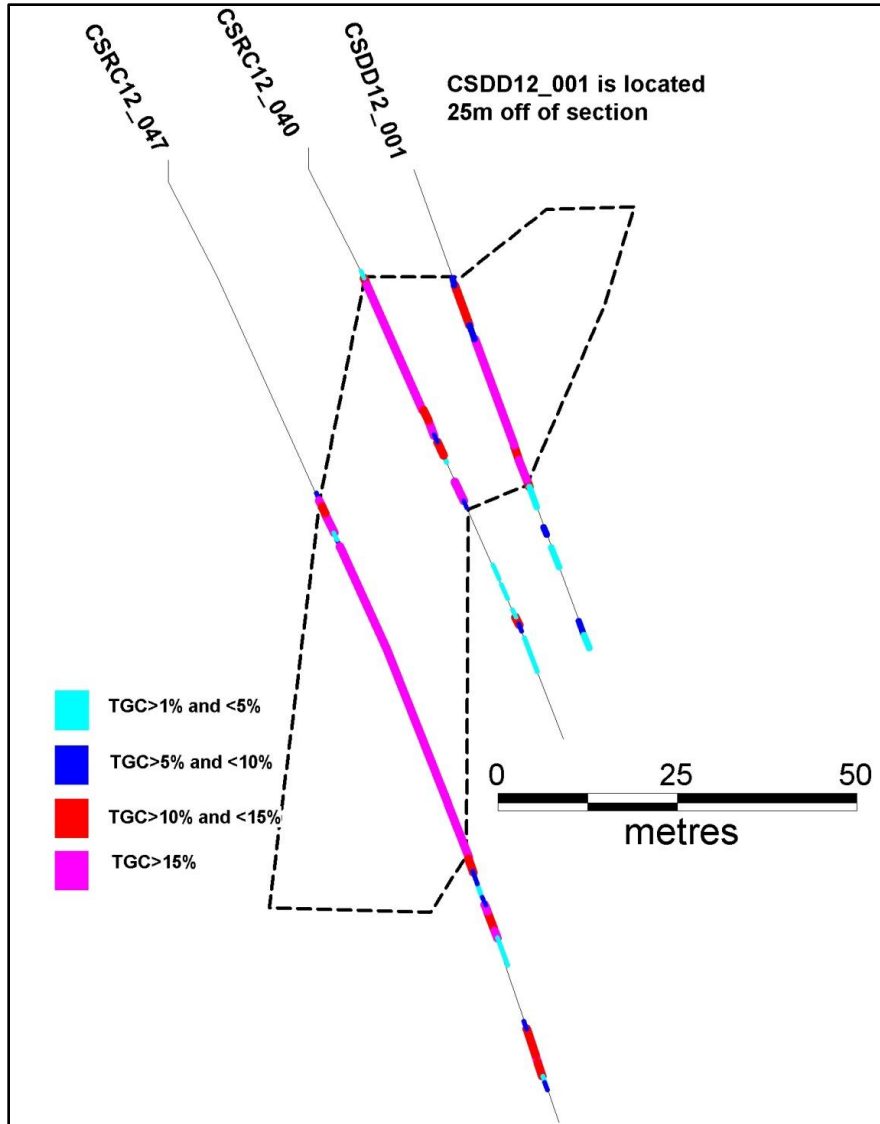


Figure 2. Section 1, Diamond hole CSDD12_001 with assay results

Section 1 shows thick high grade graphite occurring on the hangingwall portion of the deposit.

The graphite is within a steeply dipping envelope. The kink in ore outline shown in Figure 2 is merely an apparent kink as CSDD12_001 has been projected southwards onto the section.



Plate 2. CSDD12_002 completely oxidised graphitic schist from 12.3 – 15.4m



Plate 3. CSDD12_002 competent but still strongly oxidised graphitic schist from 65.5 – 69.7m

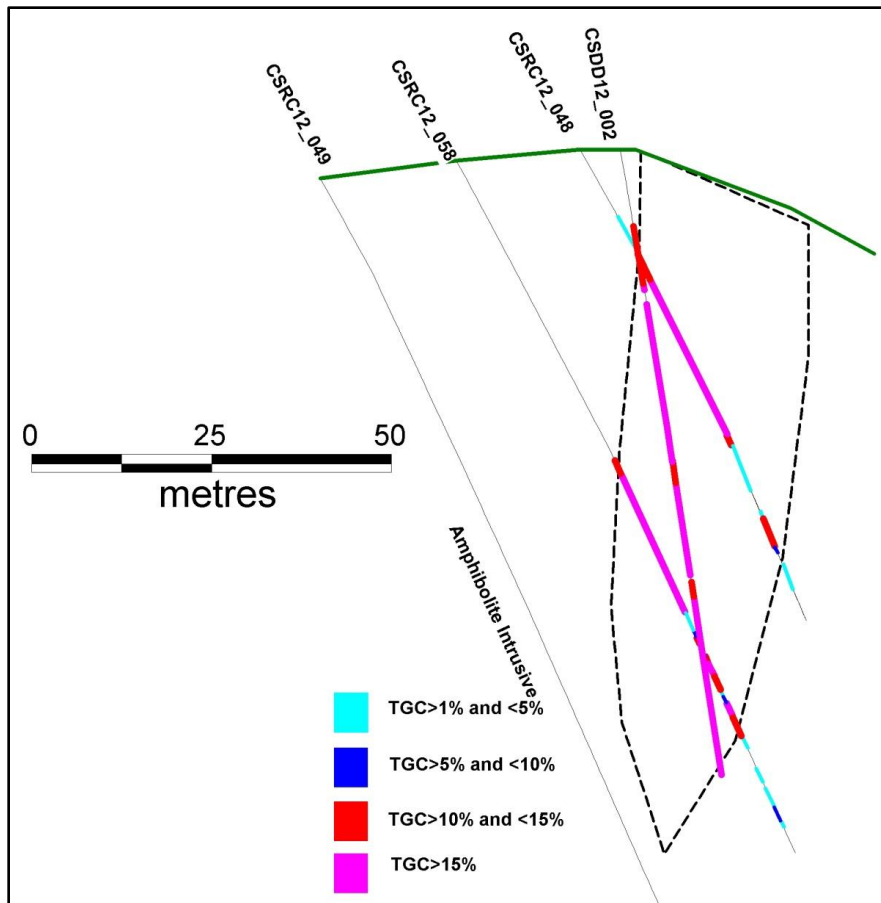


Figure 3. Section 2, Diamond hole CSDD12_002 with assay results

The high angle of the diamond holes were chosen so as to be able to recover a significant volume of material for metallurgical work throughout the graphite profile.

Full Campoona Shaft Metallurgical Diamond Drill Hole Results

Hole ID	From (m)	To (m)	Interval (m)	Assay %TGC	Lithology
CSDD12_001	16	47	31	14.7	Graphitic schist
CSDD12_002	11	88	77	17.2	Graphitic schist
CSDD12_003	24	106.4	82.4	15.9	Graphitic schist to EOH
incl	24	89	65	14.7	
and	90	106.4	16.4	21.3	
CSDD12_004	17	115	98	13.3	
CSDD12_005	28	74	46	12.6	Graphitic schist & gneiss
incl	32	51	19	16.1	
and	59	73	14	14.8	

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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.