

24th May 2013

ASX ANNOUNCEMENT / MEDIA RELEASE

HIGH GRADE GRAPHITE AT CAMPOONA CENTRAL BOLSTERS CAMPOONA PROJECT

HIGHLIGHTS

1. Drilling at Campoona Central intersected significant graphite intervals including:
 - 34m @ 10.7% TGC from 19m in hole CSRC13_002
 - 25m @ 12.6% TGC from 24m in hole CSRC13_003
 - 25m @ 12.8% TGC from 12m in hole CSRC12_026
 - 24m @ 16.4% TGC from 18m in hole CSRC13_032
 - 17m @ 17.4% TGC from 48m in hole CSRC13_004
 - 16m @ 15.2% TGC from 27m in hole CSRC13_025
2. Regional drilling identified three further graphitic schist occurrences with similar geology to Campoona Central and Campoona Shaft.

Archer Exploration Limited (ASX: AXE; "Archer") is pleased to announce that RC drilling at Campoona Central has confirmed the presence of graphite similar to the highly graphitic schist at Campoona Shaft and at widths amenable to mining. Campoona Central is located about 2.8km immediately to the SW of the Campoona Shaft Resource (refer Figure 1).

A total of 42 holes totalling 1.937m were completed, with the average vertical depth below surface being approximately 45m. All holes had collars surveyed, with down hole surveys being taken to record any deviations. Standard QAQC techniques were also applied to facilitate future resource estimation. A comprehensive suite of samples has been collected for metallurgical testing.

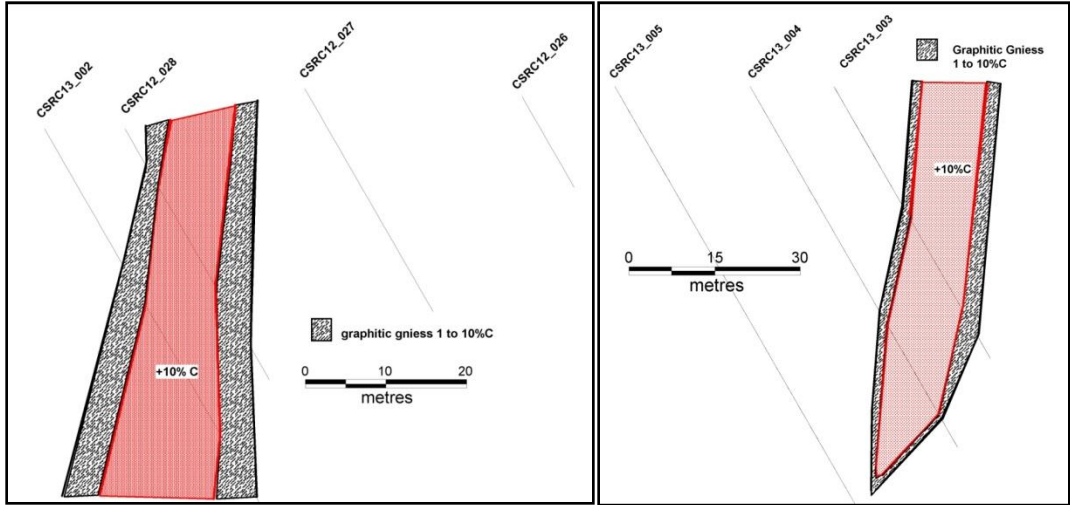
Table 1 below provides all significant graphite intervals from the Campoona Central drilling. Most of the significant intercepts are from the northern part of the area. Towards the south the graphite pinches and swells over shorter strike distances and is dislocated by a series of short scale fault offsets.

Table 1. Significant graphite intervals from Campoona Central

Hole ID	Depth From (m)	Depth To (m)	Interval (m)	% TGC
CSRC13_001	42	52	10	8.3
CSRC13_002	19	53	34	10.7
CSRC13_003	24	50	25	12.6
CSRC13_004	48	66	17	17.4
CSRC13_006	28	39	11	12.4
CSRC13_007	53	61	7	4.0
CSRC13_013	10	31	21	3.5
CSRC13_014	24	31	7	7.1
CSRC13_017	22	29	7	5.5
CSRC13_018	62	72	10	3.7
CSRC13_020	0	10	10	2.5
CSRC13_024	9	24	15	13.3
CSRC13_025	27	43	16	15.2
CSRC13_026	12	37	25	12.8
CSRC13_027	15	23	8	10.3
CSRC13_029	10	21	11	8.0
CSRC13_030 [#]	0	52	52	13.6
CSRC13_031	13	15	2	7.7
CSRC13_032	18	42	24	16.4
CSRC13_033	4	10	6	8.4
CSRC13_039	3	8	5	8.5
CSRC13_042	41	55	14	19.2

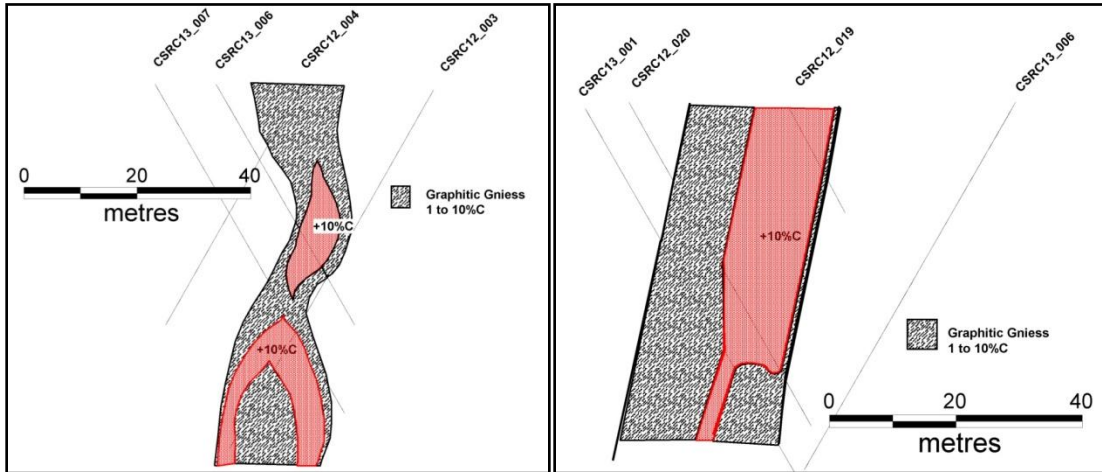
[#] CSRC13_030 was drilled down the dip of the graphite to collect metallurgical samples representing the weathering changes of the orebody.

The sections below are the first (most northern) sections drilled. Each section is roughly 100m apart.



Section 1 (line 1)

Section 2 (line 3)



Section 3 (line 5)

Section 4 (line 7)

Regional Graphite

A total of 59 holes for 3,656m were completed to test regional EM signatures. The drilling successfully identified three new graphitic schist horizons similar to the Campoona Shaft and Campoona Central deposits as well as intersecting high grade graphitic gneiss at Campoona Shaft.

Table 2. Significant Regional graphite intercepts

Hole ID	Depth From (m)	Depth To (m)	Interval (m)	% TGC	Host	Location
WHPRC13_002	39	45	6	12.6	Graphitic schist	Camp_south
WHPRC13_003	0	6	6	7.8	Graphitic schist	Camp_south
WHPRC13_012	71	84	13	9.6	Graphitic gneiss	Camp_shaft
WHPRC13_024	8	17	9	8.1	Graphitic schist	Camp_east
WHPRC13_032	30	38	8	10.9	Graphitic schist	Camp_north

In addition to the high grade graphite intercepts, holes CSRC13_009; CSRC13_026; CSRC13_028;

CSRC13_031; CSRC13_039; CSRC13_040 and CSRC13_041 (refer Figures 3 & 4) all recorded graphite intervals of less than 5% TGC however all will require follow up to determine the potential for Campoona-style graphite mineralisation.

Epithermal

A total of 187m were drilled in 3 holes to close off sections previously drilled. Prominent alteration consisted of stylolites veins and breccias. Anomalous low gold values (<0.1g/t Au) are being re-assayed to determine refractory potential.

Salt Creek

Three holes were drilled for a total of 201 drill metres to test for synformal deposition of manganese. No significant manganese was intersected.

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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.

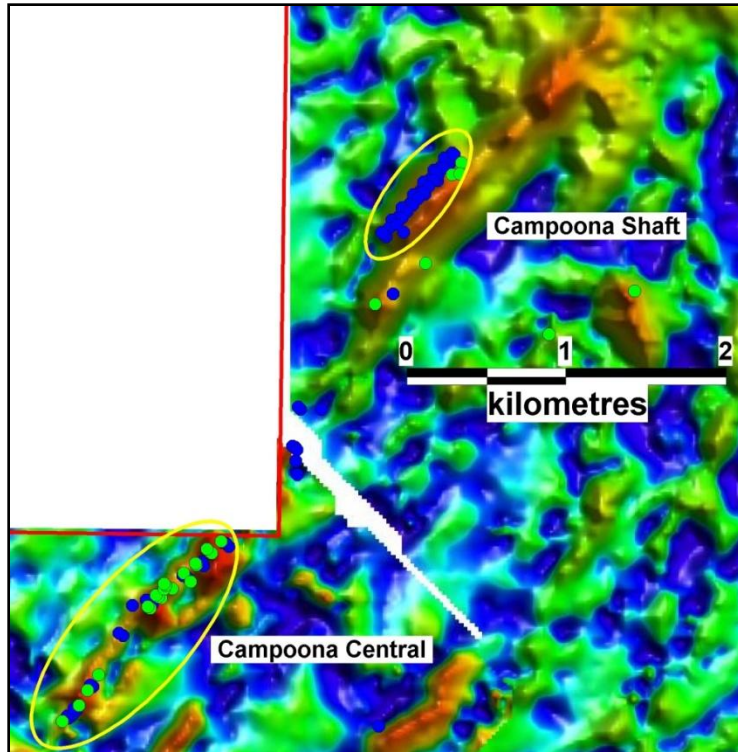


Figure 1. Location of Campoona Central with respect to Campoona Shaft area

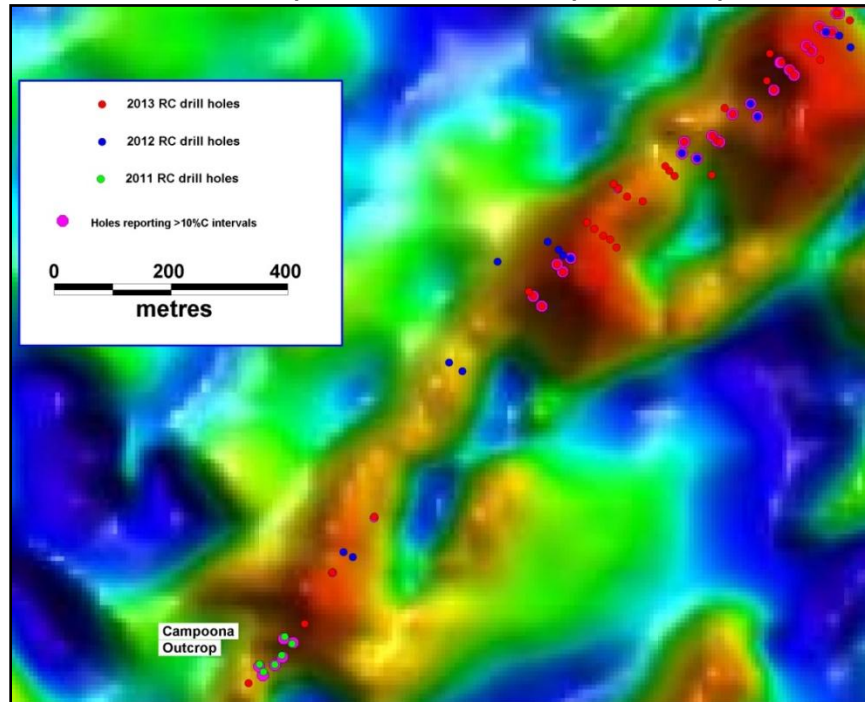


Figure 2. All RC hole locations at Campoona Central with graphitic holes indicated.

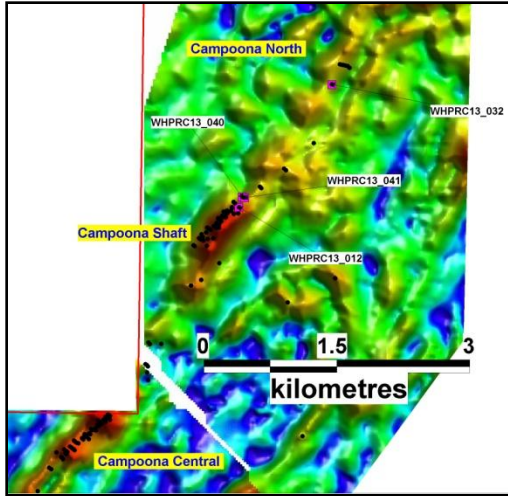


Figure 3. Campoona North holes

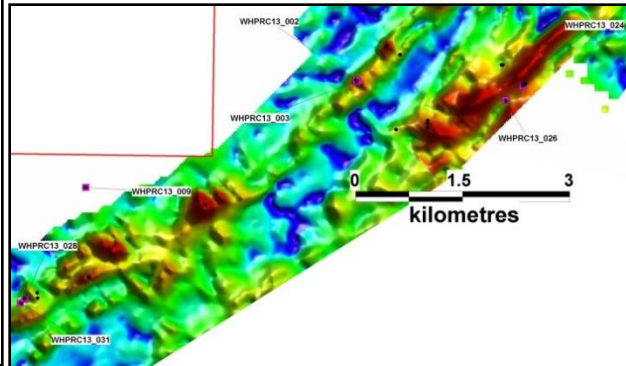


Figure 4. Campoona South holes.