

ASX Announcement

14 August 2015

## **Additional deposit to extend the mine life/output of Campoona graphite project**

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### **Highlights**

- Ultra high grade graphite (98.8% Cg) has been produced from Central Campoona deposit
  - Mineralisation at Central Campoona is consistent with Campoona Shaft and will be able to use the proposed processing facility without amendment
  - Central Campoona is in close proximity to Campoona Shaft
  - Provides ability to extend Campoona mine life or output
  - Further project upside from metallurgical testing results on Lacroma deposit currently underway
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Archer Exploration Limited (ASX: "AXE") is pleased to announce today that results from new tests on a second deposit have raised the potential to either extend the mine life, or annual production, from the Company's proposed Campoona graphite mine and co-located processing plant on South Australia's central Eyre Peninsula.

The tests were conducted on the Central Campoona deposit, which sits just to the southwest of Archer's Campoona Shaft deposit for which a draft mining lease application has been lodged with the SA Government for a 10,000 tpa concentrate graphite mine over 14 years.

The testing used the same flotation and leaching conditions as for Campoona Shaft. Both deposits are in close proximity to each other, contained within the same graphite lenses and have very similar properties for processing purposes.

Not only did the Central Campoona metallurgical tests deliver very high purity levels to 98.9% contained graphite (Cg) but its mineralisation was consistent with the Campoona Shaft deposit. This means that the same process flow circuit can be used without amendment.

Lacroma is 35 kilometres northwest of Campoona Shaft and where previous drilling has identified fine crystalline graphite. The Company is undertaking additional metallurgical testing on this deposit and is expecting results to be available late next week. If successful this would provide a third mineral body which could also potentially improve the project returns.

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**Archer Exploration Limited**

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Archer's Managing Director, Mr Gerard Anderson, said "The test results from the second deposit not only emulated the excellent performance of the Campoona Shaft ores, on which the Company's mining lease application was solely based, but opens up significant new options for its proposed Eyre Peninsula mine."

"The availability and tenor of Campoona Central's mineralisation so close to Campoona Shaft gives flexibility to either increase the life of the current mine or increase our annual production of high-grade graphite in line with market conditions," Mr Anderson said.

"Critically, ore from both deposits can be simultaneously treated through the same circuit at our planned Sugarloaf Processing Facility to be jointly developed with the mines just 15 kilometres to the west of the two deposits."

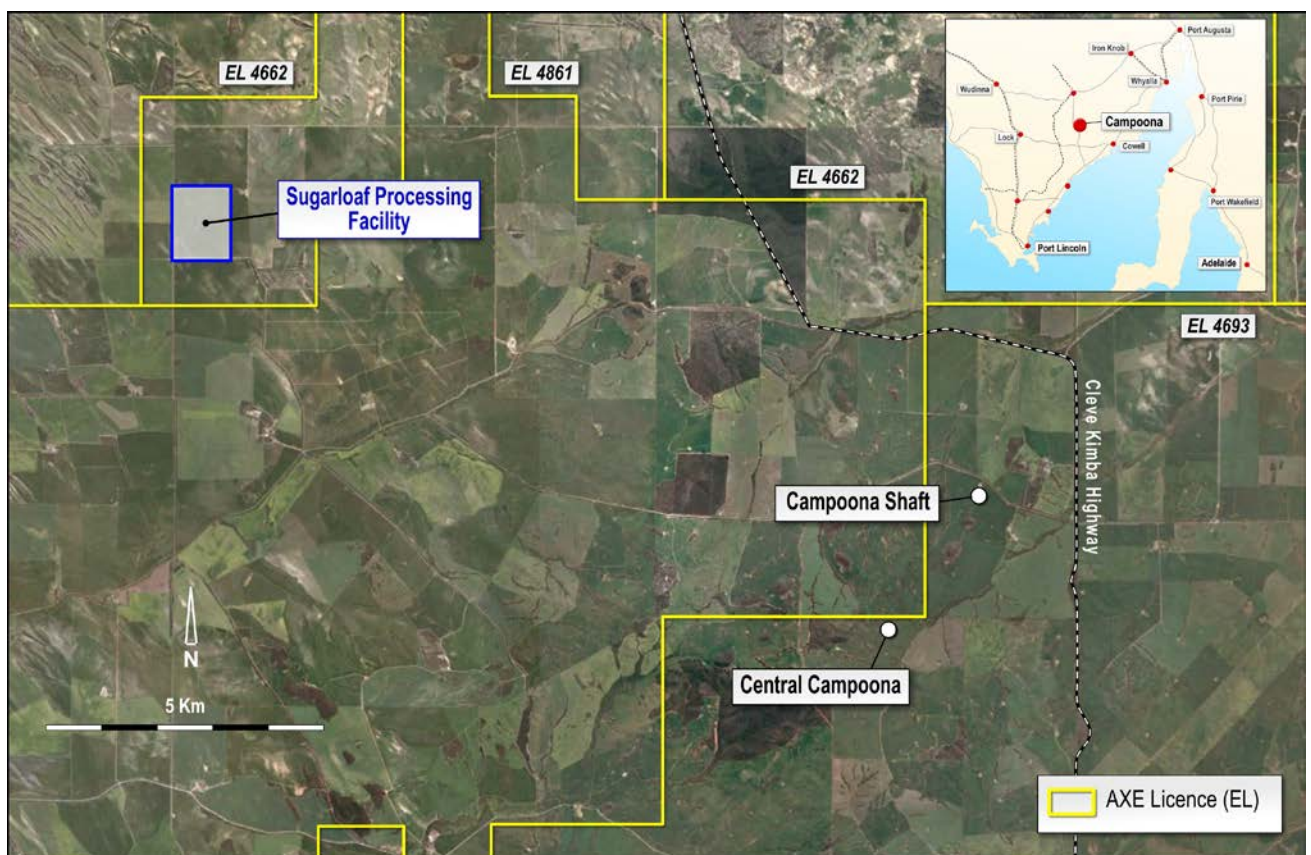


Figure 1: Map showing close proximity of Campoona Central to Campoona Shaft and Sugarloaf Processing Facility.

The combined inventory for Campoona Shaft and Central Campoona is a JORC 2012 compliant resource of 2.17Mt @ 9.6% Cg for 209,000t of contained metal, comprising:

Area	JORC Resource Category <sup>[1]</sup>	Tonnes	Graphite (% Cg)	Contained Graphite (t)
Campoona Shaft	Measured	320,000	12.7	40,600
	Indicated	780,000	8.2	64,000
	Inferred	550,000	8.5	46,800
Central Campoona	Indicated	220,000	12.3	27,100
	Inferred	300,000	10.3	30,900

The final mining lease proposal for Campoona Shaft is expected to be lodged next month.

## Geology

Central Campoona is a faulted-off southern extension of the Campoona Shaft deposit. While within the same graphite horizon, the two deposits vary in that Central Campoona is thinner at between 10-15m thick while Campoona Shaft's clay-rich upper zone has been eroded off. Both are highly crystalline fine graphite with tests showing that their ultra-pure graphite performs very favourably against commercially available synthetic graphite used in current generation lithium-ion batteries. Synthetic graphite is currently used in 32% of all lithium-ion batteries and that percentage is forecast to rise in the coming years.

For further information please contact:

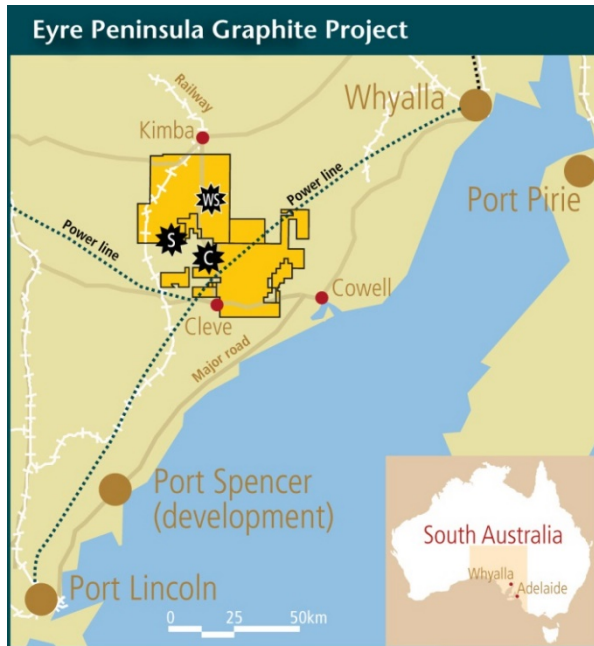
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*The exploration results and exploration targets reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenhagen, Exploration Manager of Archer Exploration Limited. Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than twenty 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 2012 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.*

<sup>[1]</sup> **JORC 2012** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves which is a professional code of practice that sets minimum standards for ASX listed companies for the Public Reporting of Minerals Exploration Results, Mineral Resources and Ore Reserves

Archer Exploration Limited is an Australian Stock Exchange listed company with 100% ownership of 15 tenements all in South Australia covering more than 5,000 km<sup>2</sup>.



#### Advanced Graphite Projects

 Campoono  Sugarloaf  Wilclo South



#### Priority 1 and 2 targets:

 Graphite  Magnesite  Manganese  Copper  Gold