



Archer Exploration Limited
ABN 64 123 993 233
32 Beulah Road
Norwood, South Australia 5067
Australia
Telephone +61 (0)8 8132 0003
Facsimile +61 (0)8 8132 0766
info@archerexploration.com.au
www.archerexploration.com.au

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MORE PROMISING OUTLOOK FOR S.A. MANGANESE PROJECT

Intensive interpretation of new and historic data on Archer Exploration Limited's (ASX code: "AXE") flagship Jamieson Tank prospect within the wholly-owned Carappee Hill manganese and iron project in South Australia, has confirmed:

- The Jamieson Tank iron host extends for at least two kilometres;
- The manganese mineralisation outcrops at surface;
- The mineralisation is continuous and open at depth; and
- The results provide significant confidence of commercial manganese volumes.

The enhanced project outlook announced today has resulted from the first-time combination and then assessment of a previous independent technical review by Archer at Jamieson Tank, historic drilling results of the prospect by WMC in the 1990s, and new magnetic data acquired by Archer for Carappee Hill.

The latest interpretation has now identified significant iron and manganese mineralisation at Jamieson Tank and proving up a JORC-compliant manganese resource at Carappee Hill is now a key priority for Archer. As a consequence, further exploration at Jamieson Tank is being expedited.

About Carappee Hill

The Carappee Hill Project (EL 3711) tenement hosts the Jamieson Tank prospect which contains known iron and manganese mineralisation. The Project is bounded on the west and north by Monax Mining Limited's Waddikee iron project and joins Centrex Metal's Cockabindie iron project to the south. Carappee Hill Project is also just 55km southwest of OneSteel's iron ore mines and the deepwater export port of Whyalla.

Caraptee Hill exploration

Early in 1993, Western Mining Corporation (WMC) undertook Reverse Circulation drilling on the tenement to test the manganese potential of the Jamieson Tank beds (figure 1, below). Drilling intersected multiple narrow lenses of manganiferous clays and occasional massive manganese oxides. Selective sampling down the hole resulted in assays reporting up to 31% manganese.

Magnetic data recently acquired by Archer Exploration has been processed and merged with the regional data and the WMC drill results to give a greater appreciation for the potential strike length of the manganese rich units. Interpretation of this data shows that the iron rich rocks, which are the host of the manganese mineralisation, extend over 2 km

The presence of elevated manganese intervals from the WMC drilling results and the Company's own exploration results, give encouragement to the successful discovery of economic quantities of manganese at Caraptee Hill.

Section interpretations

Two sections (figures 2 and 3 below), approximately 75 metres apart, were drilled by WMC, with all holes drilled to the west. Holes were sampled for manganese and iron.

The Company's combined interpretation of WMC's and Archer's own work, confirms that the manganese is exposed at the surface and appears to be continuous to a shallow depth. Exposure at surface means that in the event of mining, minimal overburden would need to be removed to access the ore. The Project area is also close to existing infrastructure and utilities such as ports, roads, towns, power and water.

Under the accelerated exploration focus for Caraptee Hill, Archer now plans to:

- Conduct sampling across the magnetic units, to define the manganese enriched horizons
- Locate previous drill hole collar positions, and
- Drill test the manganese units, once a suitable drill rig is secured.

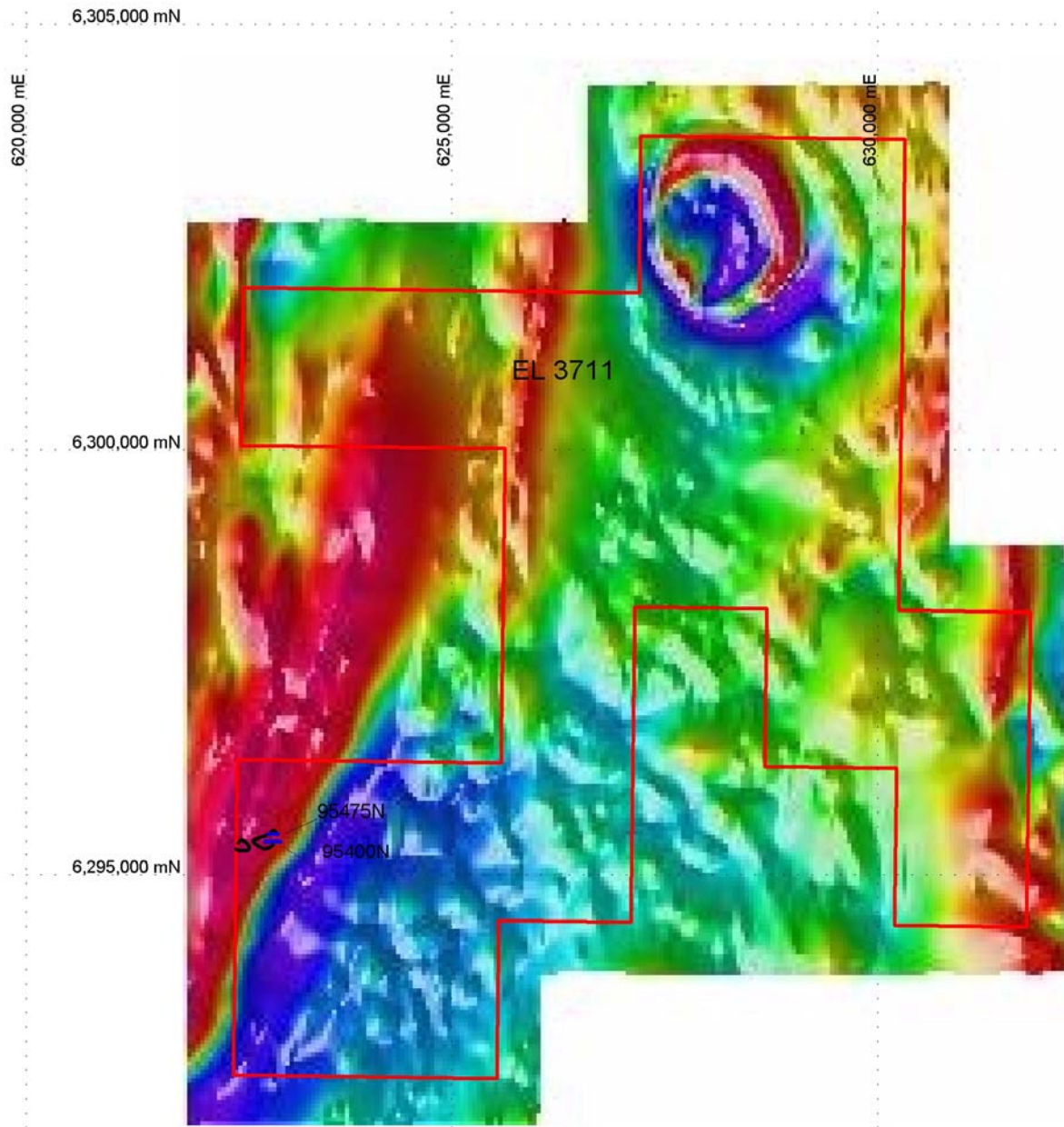


Figure 1: Carapee Hill (EL 3711) showing location of drill sections in blue, manganese outcrops are represented by the black outline.

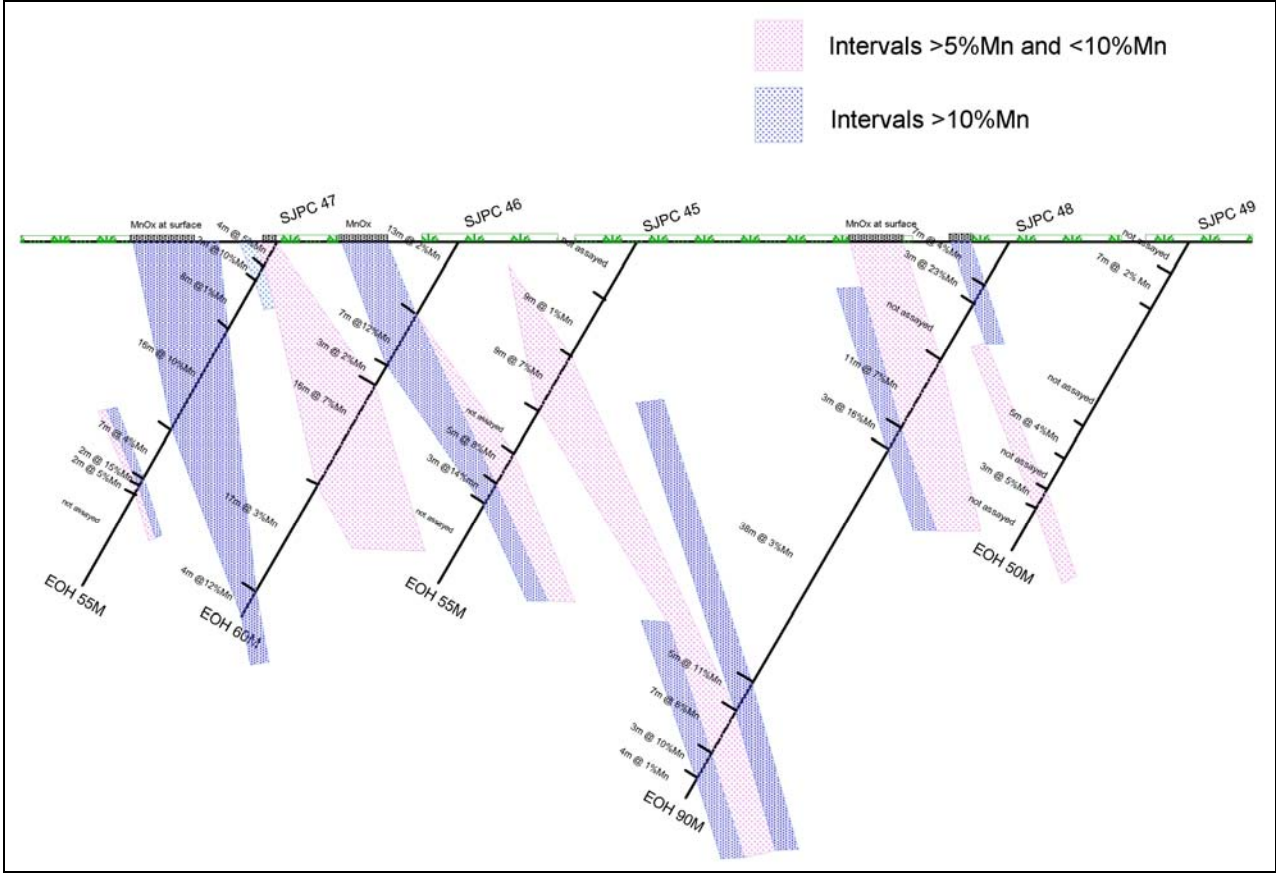


Figure 2: Drill section 95400N, showing the averaged downhole manganese assays.

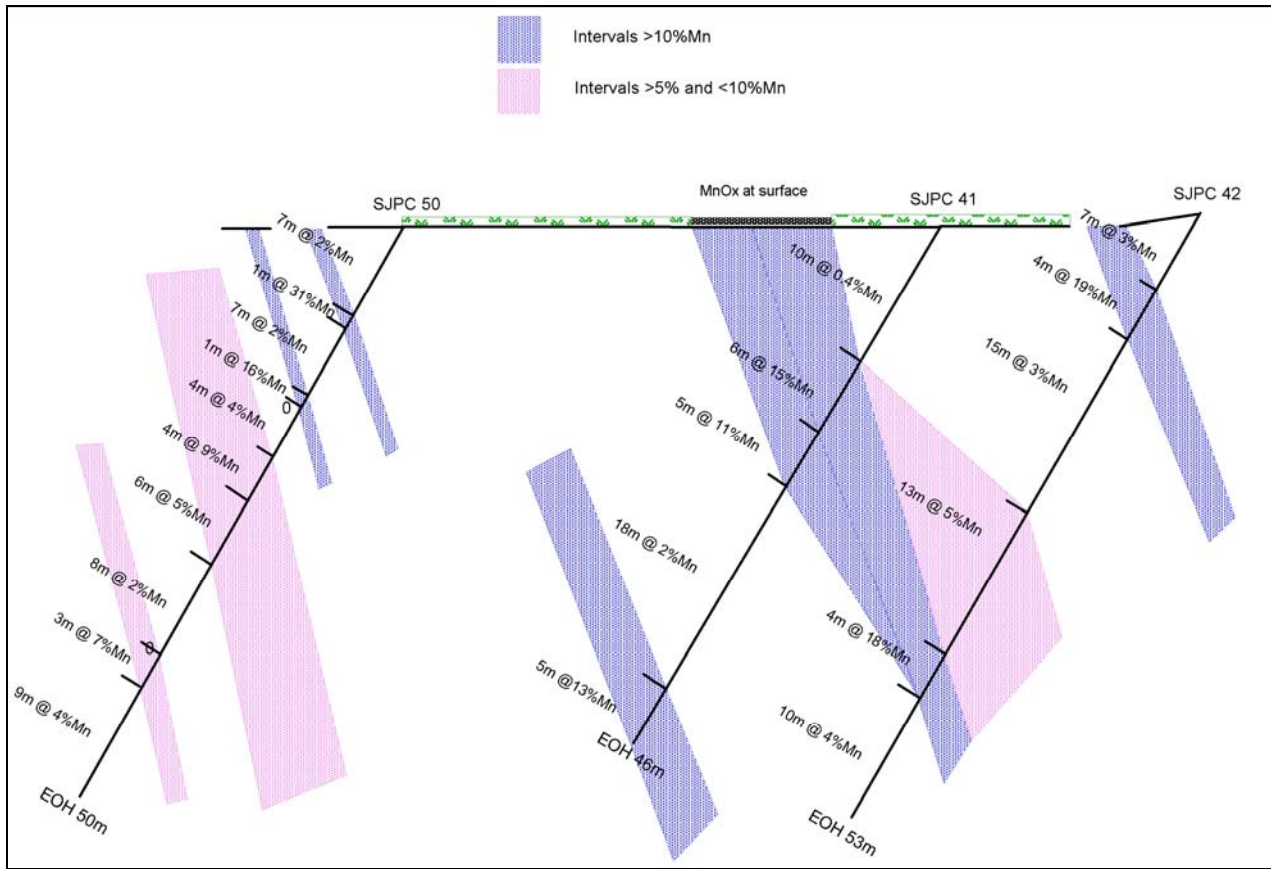


Figure 3 MC drill section 95475N, showing the averaged downhole Mn assays.

For further information please contact:

Mr Greg English
 Director
 Archer Exploration Limited
 Tel: (08) 8132 0003

Mr Wade Bollenhagen
 Exploration Manager
 Archer Exploration Limited
 Tel: (08) 8132 0003

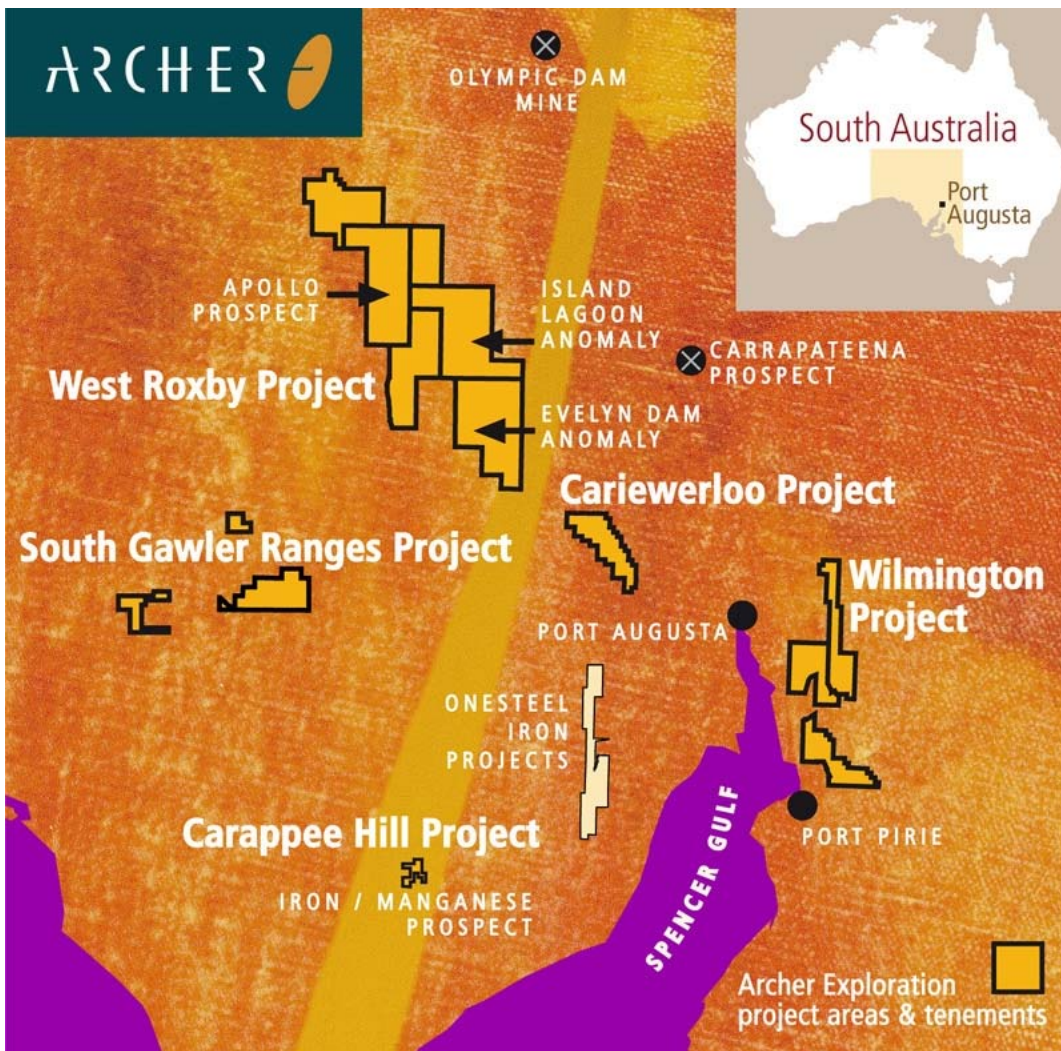
The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenhagen, Exploration Manager of Archer Exploration Limited. Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy, who has more than 10 years experience in the field of activity being reported. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are historically based open file information.

ABOUT ARCHER EXPLORATION

Archer Exploration Limited is an iron ore, manganese and base metals explorer focused on the discovery of world-class deposits. The Company has carefully acquired a portfolio of wholly owned projects in the highly prospective Gawler Craton region of South Australia.

The Company’s Caraptee Hill Project on South Australia’s Eyre Peninsula contains iron ore grades of up to 57% and manganese grades of up to 31%. The Company is undertaking further exploration at Caraptee Hill and is assessing a range of options for the further development of this exciting project.

The Company is also well advanced on the exploration of its Olympic Dam style iron oxide-copper-gold-uranium (IOCG-U) deposit. The Evelyn Dam anomaly has early geophysical characteristics similar to those of Olympic Dam and the recent Carrapateena discovery.



Map showing Archer’s tenements covering prospective iron, manganese and base metal tenements in the Gawler Craton region of South Australia.