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11 June 2008

## **EXCEPTIONAL MANGANESE GRADES IN ASSAY RESULTS**

### **Exploration drilling to start next week**

Archer Exploration Limited (ASX code: "AXE") will next week commence exploration drilling at its flagship Jamieson Tank manganese/iron ore project in South Australia following the announcement today of exceptionally high grades of up to 53.8% manganese oxide.

Archer's latest exploration results confirm the widespread manganese mineralisation previously discovered by Western Mining Corporation (WMC) at the Jamieson Tank Project, 55km southwest of OneSteel's iron ore operations and the deepwater export port of Whyalla.

Highlights of today's announcement include:

- Assay results from three rock chip and float samples taken at the Jamieson Tank Project have confirmed the widespread, close-to-surface manganese mineralisation previously discovered by WMC.
- Outstanding results include 53.8% manganese oxide and 10.55% iron.
- Manganese ore is a high value commodity with a manganese grade of 44% equivalent in value to a gold grade of 23 g/t.<sup>1</sup>
- The manganese mineralisation outcrops at the surface and occurs within a shallow fold structure, over an open iron host extending for at least a kilometre.
- A maiden program of 2,000-3,000 metre Reverse Circulation drilling will begin next week.

The Jamieson Tank Project is within Archer's wholly-owned Caraptee Hill tenement area.

WMC undertook Reverse Circulation (RC) drilling early in 1993 to test the manganese potential of the Jamieson Tank beds. Drilling intersected multiple lenses of manganiferous rocks. Selective sampling down hole resulted in assays reporting up to 31% manganese.

These latest results from Archer confirm the previous work done by WMC and verify the extent of the surface manganese and iron mineralisation.

The sampling was undertaken to provide a better understanding of the extent of the mineralisation prior to the commencement of a 2-3,000 metre RC drilling program planned to commence next week.

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<sup>1</sup> Based on current gold price of US\$878.30 and manganese price of US\$15/dmtu ore (44% Manganese).

The manganese oxide (MnO) and iron (Fe) results for the samples submitted are:

Sample Id	MnO %	Fe %
2	45.1	8.79
3	53.8	10.55
4	49.9	14

Table 1: Sample assay results.

Results of 53.8% manganese oxide are very high and are typical of this style of surface mineralisation.

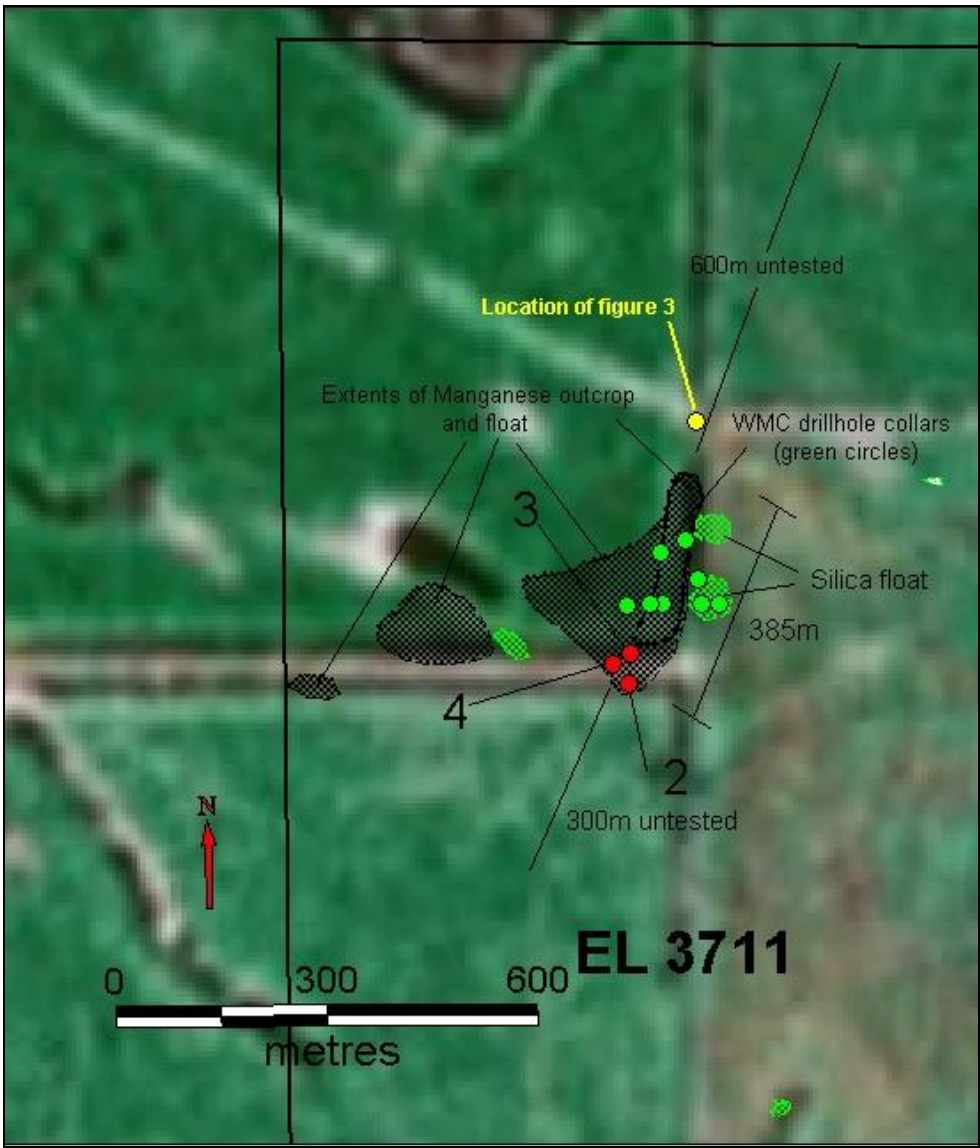


Figure 1: Map showing location of samples and extent of manganese mineralisation.



Figure 2: Is a photo of Sample 2 taken from Carappee Hill.

The recent rock chip sampling and reconnaissance program confirmed the extent of the exposed and shallowly covered manganese rich units (see Figure 3). Archer regards this outcrop of material as part of a larger mineralised system associated with the presence of folds in the region.



Figure 3: View south from the corner of the road, (see location on figure 1) where the manganese rich material can be seen as the dark material in the road.



Figure 4: Types of folding at Caraptee Hill. The red arrows point in the direction the fold “plunges”.

### Growth in Manganese Market

Manganese ore is used in the steelmaking process, primarily in the form of silicomanganese and ferromanganese alloys. Global demand for manganese depends directly upon the requirements of the steel industry, with the price of manganese ore continuing to rise in recent years.

The Tex Report (April 2<sup>nd</sup> 2008) quotes contract prices for high-grade manganese ore ranging from US\$11 to US\$15 per Mn 1% CIF, with spot prices ranging up to US\$17 per Mn 1% CIF.

The report notes that manganese prices are expected to firm due to an estimated supply shortage of 1 million tonnes of manganese ore in the world market in 2008, largely driven by reduced growth in the supply of high-grade manganese ore and a swing from the exportation to importation of manganese ore by India.

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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 and 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.*

**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 Carappee Hill Project on South Australia’s Eyre Peninsula contains iron ore grades of up to 57% and manganese grades of up to 53.8%. The Company is undertaking further exploration at Carappee 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.

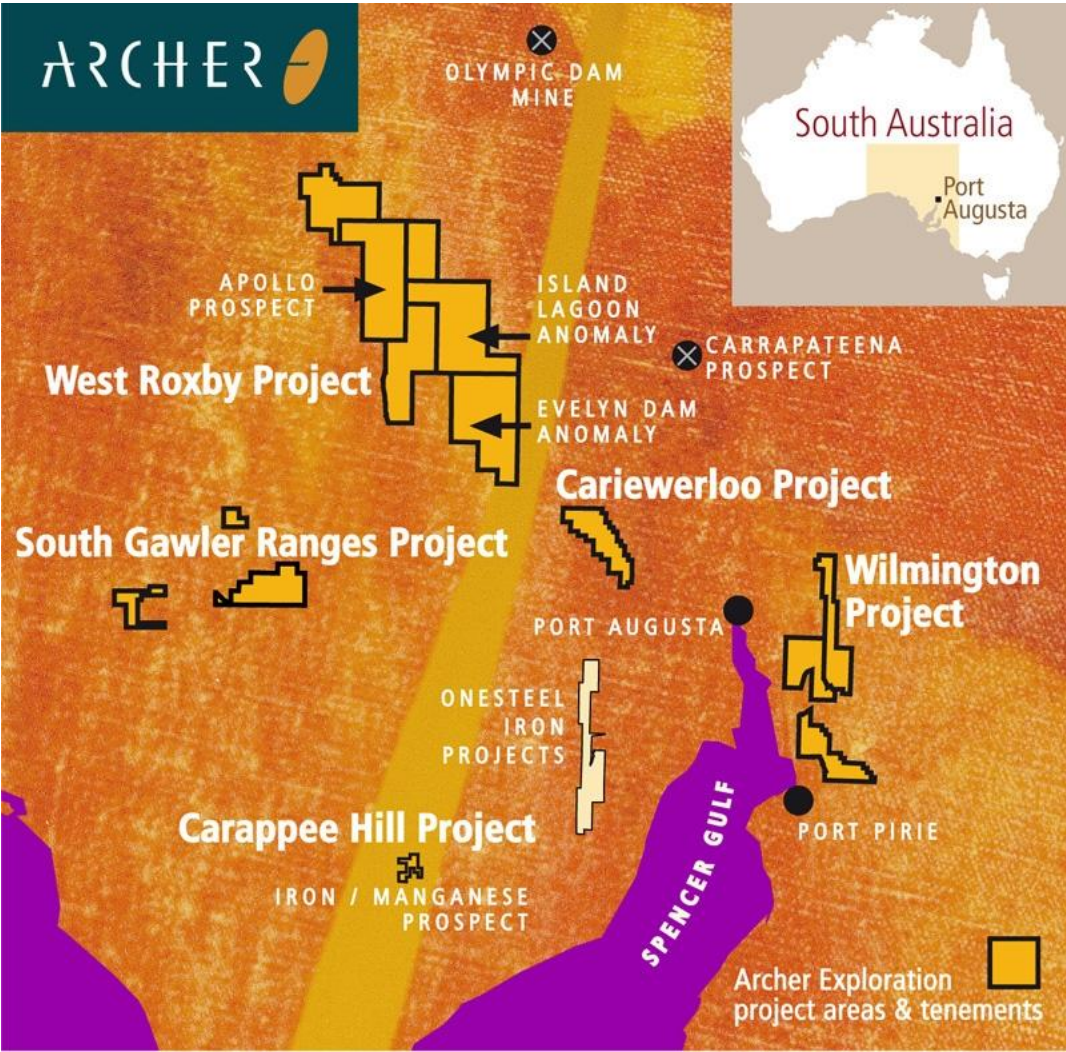


Figure 5: Archer’s project areas and tenements, covering prospective iron, manganese and base metal tenements in the Gawler Craton region of South Australia.