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CARRAPPEE HILL – MANGANESE AND IRON POTENTIAL

Adelaide based mineral exploration company Archer Exploration (ASX code “AXE”) has conducted an independent review of the manganese (Mn) and iron (Fe) potential of its 100% owned Carrappee Hill Project located on the central Eyre Peninsula of South Australia.

Key findings of the review are:

- previous mapping by Western Mining Corporation Limited (WMC) on Carrappee Hill outlined manganese occurrences over a strike length in excess of 8km with an estimated width of between 30m to 100m;
- rock chip samples taken by WMC returned grades of up to 38.2% Mn;
- follow-up shallow drilling by WMC returned separate intervals of up to 57% Fe and 31% Mn;
- previous exploration by CRA, WMC and others identified extensive near surface banded iron formation; and
- the Company is investigating ways to maximise the manganese and iron potential of this tenement.

About Carrappee Hill

The Carrappee Hill Project (EL 3711) is located in the central Eyre Peninsula of South Australia. The tenement is bounded on the west and north by Monax Mining Limited's Waddikee iron project and joins Centrex Metals Limited's Cockabindie iron project to the south.

The Carrappee Hill Project is also located approximately 45km west of OneSteel's iron ore mines and the port of Whyalla.

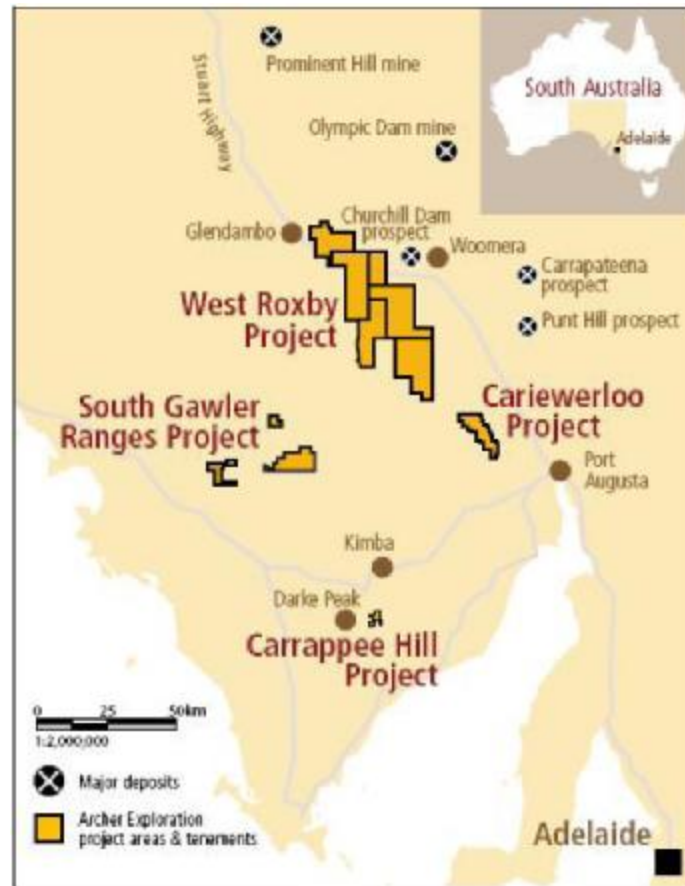


Figure 1 : Carraptee Hill Project location map

Manganese and iron potential

An independent geological review of the data on the tenement has been conducted by Alan G Marlow*. The review has focused on an extensive strike length of banded iron formation and manganese identified by WMC and others.

During 1991, mapping of mangiferous ironstones by WMC centred on the Jamieson Tank Prospect located in the southwest portion of the Carraptee Hill tenement. This mapping identified manganese occurrences over a strike length in excess of 8 km. The width of the zone containing manganese was estimated at between 30 and 100 metres (known as the Jamieson Tank beds).

Rock chip samples collected during the mapping exercise of 1991 from the Jamieson Tank beds returned manganese grades of up to 38.2% Mn. Follow up drilling by WMC in early 1993 intersected multiple near surface narrow lenses of mangiferous clays and occasional massive manganese oxides and returned:

- iron assays in the range of 5.8% to 57 %; and
- manganese assays in the range of 0.05% to 31%.

The Jamieson Tank beds comprise layers of manganese and iron rich rock with maximum down hole widths of up to 3 metres with interbeds of clay and ferruginous sediment. Several thinner, less continuous trends which flank the main manganiferous zone were also identified.

Magnetic features

Archer Exploration completed an aerial magnetic and radiometric survey of the Carrappee Hill tenement in December 2007. This data has since been modelled (see figure 2 below) and confirms the Company's view on the prospectivity of the tenement.

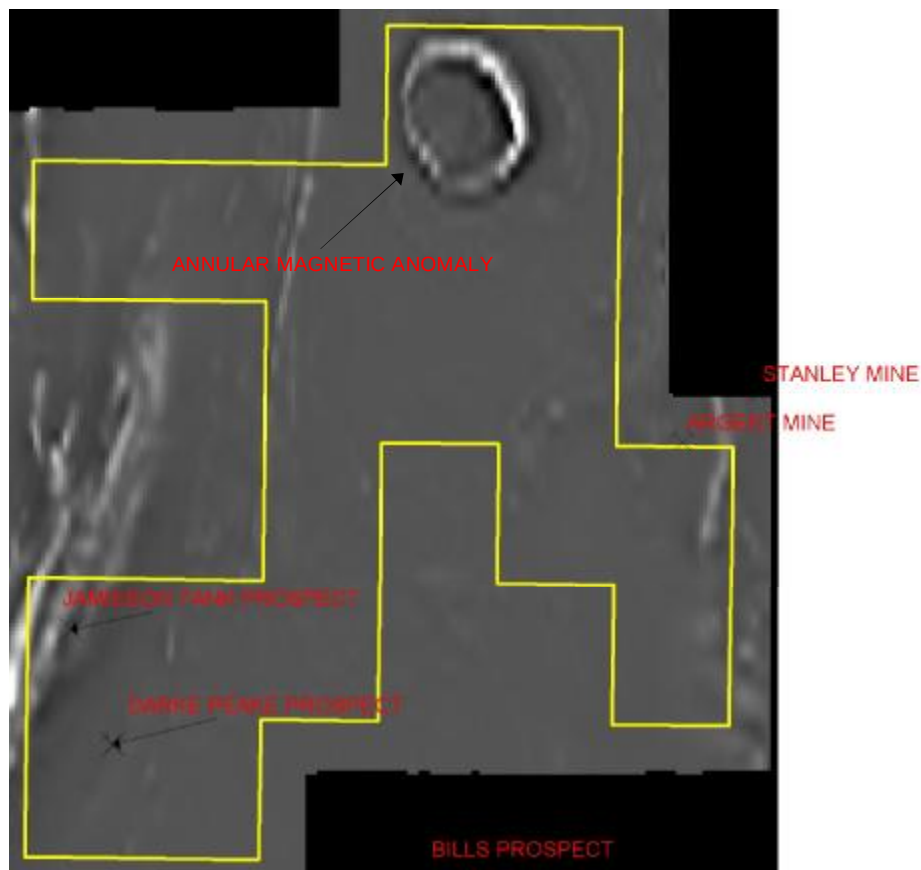


Figure 2 : Carrappee Hill aeromagnetic image

As can be seen in the processed magnetic image (Figure 2), Carrappee Hill contains north-south striking linear magnetic highs around the Jamieson Tank area and an annular shaped strongly magnetic feature to the north of the tenement. A consultant geophysicist has been engaged by AXE to determine depths to the magnetic signatures and possible causes of the prominent signatures. This annular shaped magnetic target has not been tested by drilling and AXE will now undertake further work to evaluate its potential.



Future Program

Archer Exploration has identified the manganese and iron potential of the Carrappee Hill Project as a high priority and the Company intends to:

- undertake its own rock chip sampling program to better establish grade and continuity of the Jamieson Tank Project;
- conduct a further review and verify the quality of the drill and assay data provided by WMC in open file data; and
- undertake field work (including rock chip and soil sampling) on the larger annular shaped magnetic anomaly on the north of the tenement.

For further information please contact:

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The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Dr. Alan Marlow and Mr. Wade Bollenhagen. Dr. Alan Marlow is a professional mineral industry exploration contract and consultant geologist who has over 30 years experience in the minerals exploration industry, and is a long-standing Member of the AusIMM. Dr. Marlow has the appropriate relevant qualifications, experience, competence and independence to be generally described as an "Expert" under the definition provided in the Valmin Code. Mr. Wade Bollenhagen is an employee of UraniumSA Limited (which has a service contract with Archer Exploration Limited) and a Member of the Australasian Institute of Mining and Metallurgy who has more than 10 years experience in the field of activity being reported. Dr Marlow and Mr. Bollenhagen consent to the inclusion in the report of matters based on 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.*