



4 July 2011

General Manager  
The Company Announcements Office  
Australian Securities Exchange

## Archer Exploration Share Placement

Archer Exploration is pleased to announce it has successfully completed a share placement of 2,714,286 fully paid ordinary shares at 17.5cents to raise \$475,000 before costs. The issue has been placed with sophisticated investors by Bligh Capital Pty Ltd. Cash at bank as at 30 June 2011 was \$2.4 million prior to the Share Placement.

The purpose of the raise was twofold:

1. To fund an acceleration of exploration at the Company's emerging Sugarloaf graphite deposit. The program will consist of:
  - A detailed airborne EM geophysical survey over the north-western section of Wildhorse Plains EL4693 where previous wide-spaced EM indicated that folding had resulted in a potential strike of almost 40km of graphite-rich rocks.
  - Resource drilling of a section of the Sugarloaf graphite deposit to support the estimation of an Inferred Resource of some 5Mt.
  - Drill testing of a number of high grade metamorphic-hosted graphite targets on the neighbouring Wildhorse Plains tenement where crystalline flake graphite up to 0.5mm (ultra coarse graphite) has been previously recorded.
  - Drill samples will be submitted for comprehensive petrological, mineralogical and metallurgical test work to determine the product and product quality to be produced during possible mining operations.
2. To fund comprehensive metallurgical test work on the Company's Leigh Creek magnesite deposit which has JORC Measured, Indicated and Inferred Resources of 413Mt grading 41.3% MgO. Test work will focus on reducing SiO<sub>2</sub> (predominantly present as talc) in the magnesite prior to calcining. Previous calcining tests on un-beneficiated magnesite produced magnesia with grades of ~92% MgO and ~4.5% SiO<sub>2</sub>. The test work has the aim of outlining the process design to deliver magnesia grading >95% MgO and <3% SiO<sub>2</sub>.

The issue has been made under the Company's 15% capacity under ASX listing rule 7.1 and shareholder approval is therefore not required. Archer will have 67,142,763 shares on issue (including the 2,714,286 shares detailed above).

The Directors thank Bligh Capital and the sophisticated investors participating in the placement for their confidence in the Company at this exciting time in its exploration and development program.

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