



10th May 2013

ASX ANNOUNCEMENT / MEDIA RELEASE

SETTLEMENT OF SUGARLOAF LAND ACQUISITION

- Archer Exploration Limited entered into a legally binding agreement to purchase property at Sugarloaf ("Sugarloaf Property") which hosts the Company's Sugarloaf Graphite Project during April 2013.
- Archer confirms that settlement of the property has been completed.
- Acquisition is an important next step towards developing the Company's Eyre Peninsula Graphite Projects.

Archer Exploration Limited is pleased to announce that it has settled the purchase of the Sugarloaf Property, located approximately 35km north of the township of Cleve on South Australia's Eyre Peninsula.

The Sugarloaf Property which lies within the Company's Carappee Hill tenement EL 4861, contains the bulk of the Sugarloaf graphite deposit which has an identified Exploration Target of 40-70Mt at 10-12%C*.

** The potential quantities and grades presented as the Exploration Target are conceptual in nature, there has been insufficient exploration to define an overall Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource).*

The Sugarloaf Property consists of 568 hectares (1,404.3 acres) of land with 503 hectares arable and used for winter cropping. The Company intends to appoint farm managers who will continue to operate the land on that basis.

The acquisition of the landholding gives the Company flexibility in conducting ongoing exploration and far greater flexibility for the planned future mining operations.

The purchase of the Sugarloaf Property represents another step toward the Company's plans to further develop its graphite projects on the Eyre Peninsula.

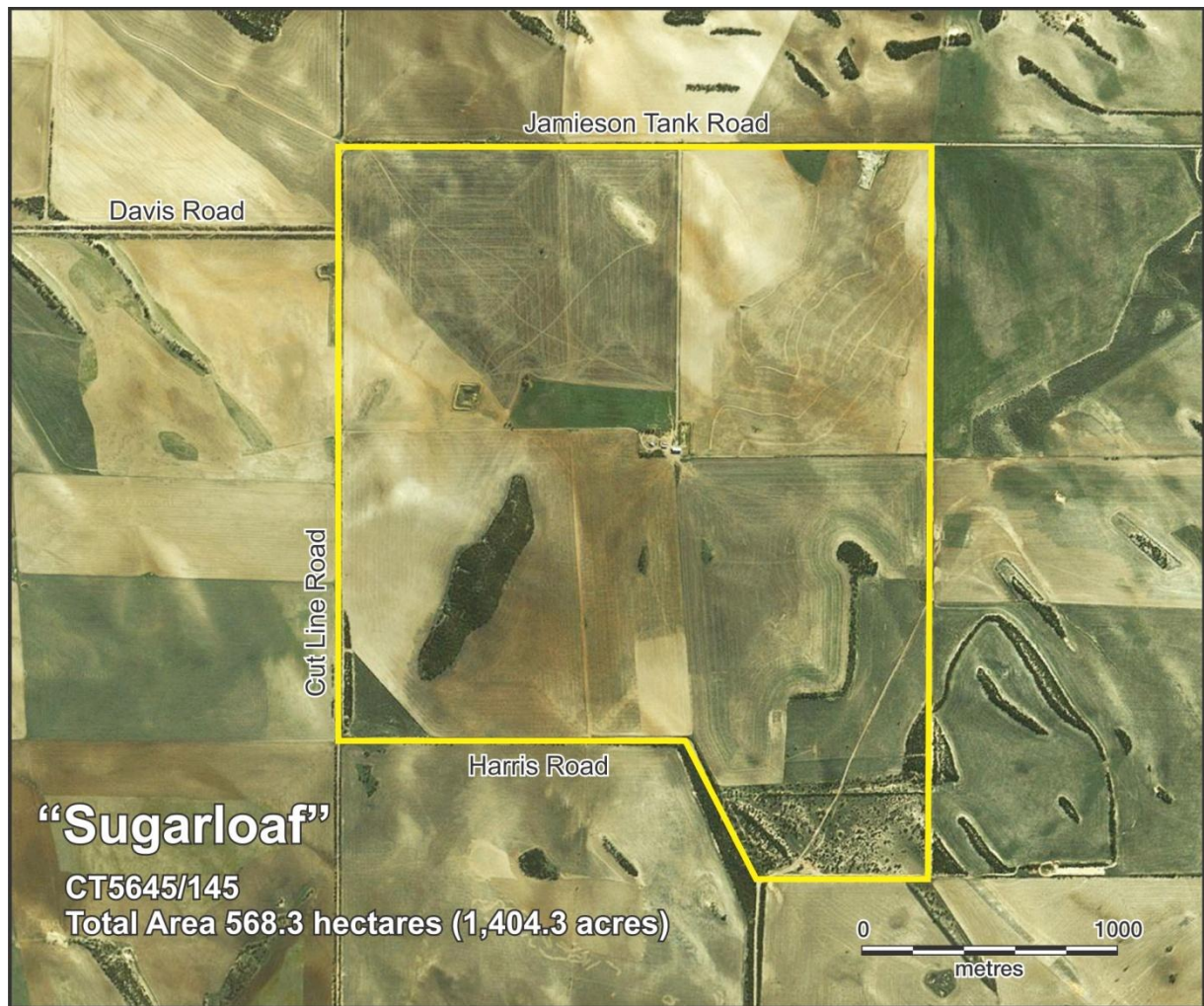


Figure 1: The Sugarloaf Property

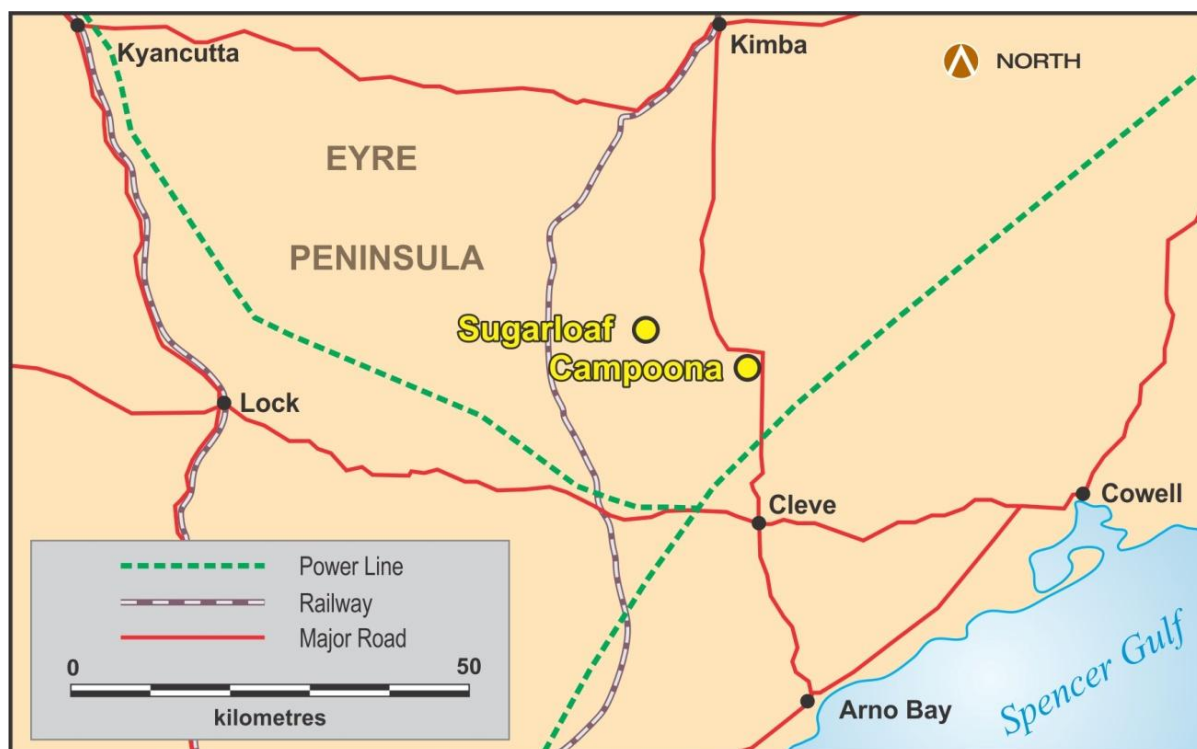


Figure 2. Location of Archer's Campoona and Sugarloaf Graphite Deposits

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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. Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than eighteen 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 2004 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.