

ASX Announcement

4 October 2016

Leigh Creek Magnesite Project update

Highlights

- CSIRO dead burn magnesia test work completed.
 - Dead burn magnesia to be tested by kiln operator to develop field testing techniques for later bulk trial.
 - Independent CCM magnesite test work being undertaken by kiln operator to establish temperature, residency time and other parameters for bulk trial.
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Archer Exploration Limited (ASX: AXE) advises that CSIRO has completed calcining test work on Archer's Leigh Creek Magnesite. The aim of the latest test work is:

- To make dead burn magnesia at different temperatures (1,450°, 1,550° and 1,650° Celsius)
- Send the dead burn magnesia to commercial kiln operator to develop test procedures for analysing DBM quality during the later bulk trial.

In addition to the dead burn test work being completed by Archer, the kiln operator is conducting separate caustic calcined magnesia tests. The results of this test work will be used to design the ideal temperature profile, residence time and other parameters associated with the upcoming bulk trial.



Magnesite sample



Positioning of magnesite sample in furnace



Removing deadburn magnesite from furnace



Cooling of deadburn sample



Deadburn magnesite product

The upcoming bulk trial is a key step in the development of the Leigh Creek Magnesite Project. A bulk trial will determine the technical, economical and physical parameters for future commercial production in an existing rotary kiln. It will also provide Archer with sufficient product for testing by prospective customers

Next Steps

Archer will work closely with the kiln operator to finalise the work program and logistics for the bulk trial.

For further information, please contact:

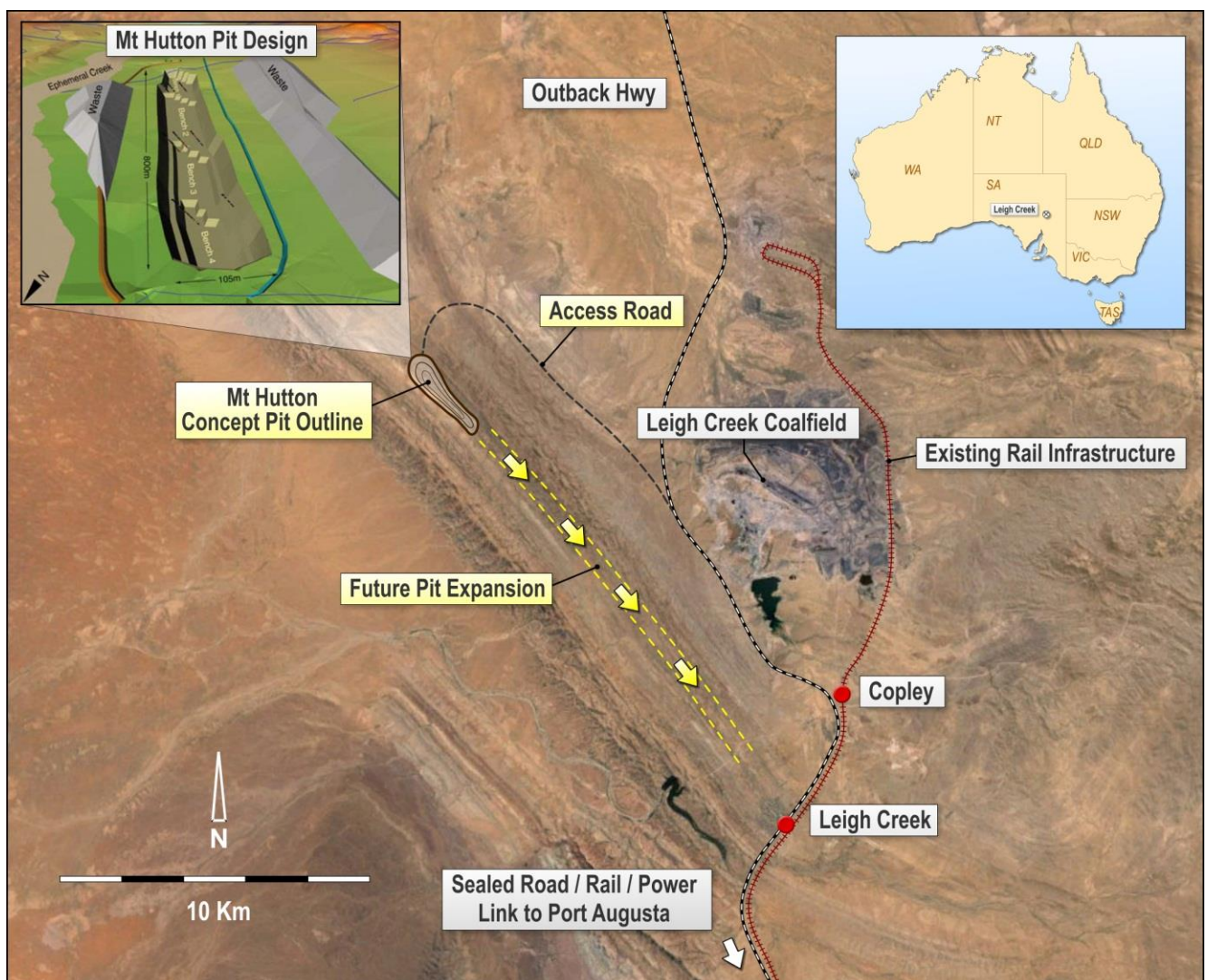
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About the Leigh Creek Magnesite Project

The Leigh Creek Magnesite Project is located approximately 20 kilometres northwest of Leigh Creek Township, South Australia and is the world's largest cryptocrystalline magnesite deposit.

Archer has been developing the Leigh Creek Magnesite Project with the aim of undertaking a simple open pit mining operation, third party processing and the export of high quality caustic calcined magnesia and/or monolithic dead burn magnesia to overseas customers.



Leigh Creek Magnesite Project conceptual development layout