Archipelago Resources PLC

13 December 2011

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Archipelago Resources plc
("Archipelago" or "the Company")

Archipelago announces significant increase of resources at Toka Tindung Mine

Archipelago is pleased to announce a significant increase in mineral resource estimates for two of its five deposits at the Toka Tindung mine in North Sulawesi, Indonesia.

Highlights
Highlights include the following:

- the resource at the Toka Tindung pit has increased to 38.2Mt @ 1.2g/t Au for 1.47M contained oz Au (and 2.4 g/t Ag for 2.98M contained oz Ag);
- the Kopra deposit resource has increased to 3.63Mt @ 3.3g/t Au for 388k contained oz Au (and 8.3 g/t for 969k contained oz Ag);
- excluding silver as gold equivalent ounces:
  - contained gold resources have increased by 99% at the main Toka Tindung deposit, and 313% at Kopra; and
  - the total Measured & Indicated resource categories have increased by 79% to 1.31M contained oz Au for the Toka Tindung pit; and by 186% to 260,000 contained oz Au for Kopra;
- modelling is currently underway for the Pajajaran, Araren and Blambangan deposits, which is likely to lead to further increases to resource estimates; and
- the significant increases to the Toka Tindung and Kopra resources support a review of the overall reserve inventory, that is likely to be on the upside.

Comment

Mr Marcus Engelbrecht, Managing Director and CEO commented:
"The increase in resources at the Toka Tindung and Kopra pits is an excellent result, achieved in a relatively short period. These initial drilling results post construction, are encouraging and confirms our view that our Toka Tindung Mine has considerably longer 'life of mine' than the seven years outlined by the original feasibility study. We are confident that this will lead to further additions to our resource inventory in the near future, providing the foundation for growth."

Further details
In addition to the main Toka Tindung pit, the current mine plan at Archipelago's Toka Tindung Mine includes four additional pits, i.e: Pajajaran, Araren, Blambangan and Kopra. All pits are located near to the processing infrastructure. Please refer to **Figure 1** below for an aerial overview of Toka Tindung Mine.

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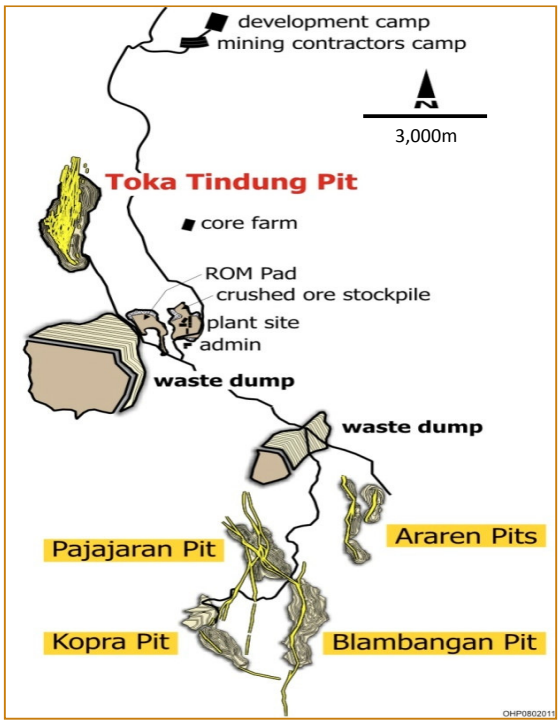
Figure 1: Aerial Overview of Toka Tindung Mine



Commencing March 2011, Archipelago expanded its drilling efforts at the Toka Tindung Mine, targeting prospective nearby mineralised deposits. On a spend to date of circa US$9 million, initial efforts have resulted in significant increases to resource estimates at two key deposits: Toka Tindung and Kopra. Drilling continues at these deposits and also at Pajajaran, Araren and Blambangan.

In a relatively short period, Archipelago has increased the JORC compliant total resources as follows:

- Toka Tindung pit : by 99% to 38.2Mt @ 1.2g/t Au for 1.47M contained oz Au (and 2.4 g/t Ag for 2.98M contained oz Ag) ;and

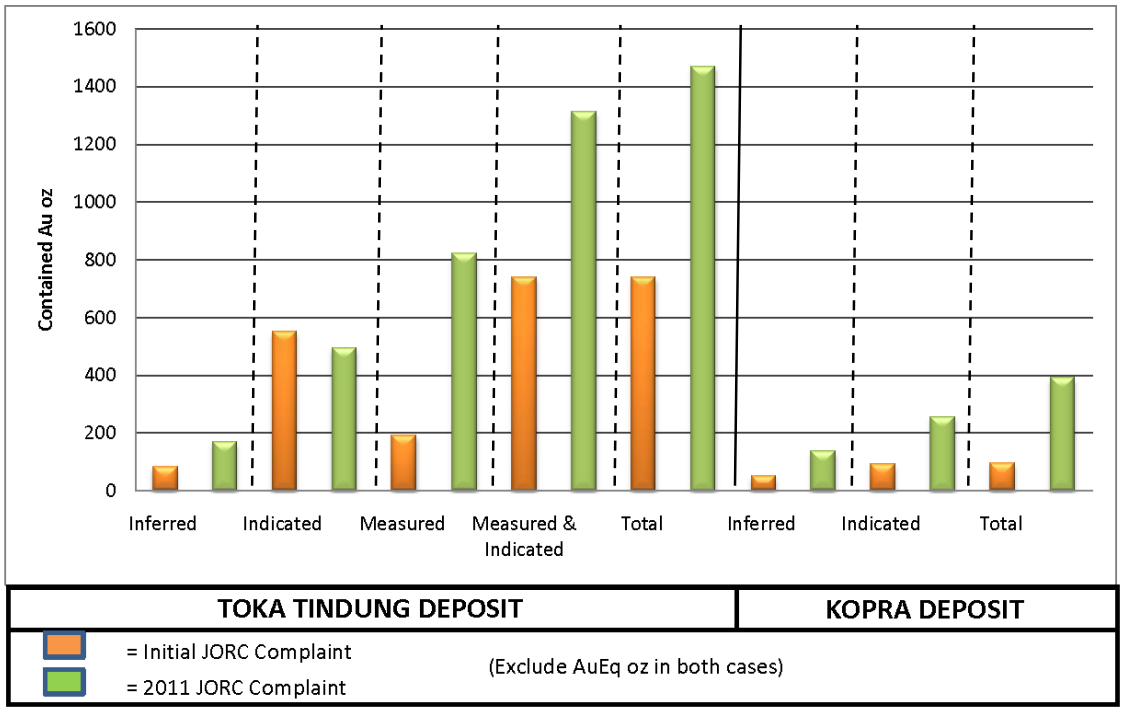
- Kopra deposit: by 313% to 3.63Mt @ 3.3g/t Au for 388k contained oz Au (and 8.3 g/t for 969k contained oz Ag).

Relative to the prior JORC compliant resource, the Company also reports material increases in Measured and Indicated categories at both Toka Tindung and Kopra.

For the Toka Tindung deposit, contained gold ounces in the Measured and Indicated categories are now estimated at 1.31M oz Au; representing an increase of 79% (excluding additional silver related gold equivalent ounces). At Kopra, the Measured and Indicated resource has increased 186% to 260k contained oz Au (excluding equivalents).

Please refer to **Figure 2** below for a comparison of prior and revised resources for Toka Tindung and Kopra, which demonstrates the scale of adjustment to Measured and Indicated categories.

Figure 2: Comparison of Prior & Revised Resources for Toka Tindung & Kopra



Please also refer to **Figure 3** below for the 2011 resource estimates for the Toka Tindung and Kopra deposits.

Figure 3: 2011 Resource Estimates for Toka Tindung & Kopra Deposits

Category	Tones (000's)	Au g/t	Contained Au oz (000's)	Ag g/t	Contained Ag oz (000's)	Contained Au Eq oz (000's)
TOKA TINDUNG DEPOSIT						
Measured	17,400	1.5	819	3.2	1,780	850
Indicated	16,100	1	492	1.9	993	510
Inferred	4,700	1.1	167	1.4	212	172
TOTAL	38,200	1.2	1,470	2.4	2,985	1,532
KOPRA DEPOSIT						
Measured	0	0	0	0	0	0
Indicated	2,270	3.5	255	8	552	270
Inferred	1,360	3	133	9	417	140
TOTAL	3,630	3.3	388	8.3	969	410

These resource estimates have been prepared in compliance with JORC requirements and reviewed by a "Competent Person." Estimates have been prepared based on a (i) gold price of US$1,150 per ounce, and (ii) silver price of US$25 per ounce. The Company owns 95% of the Toka Tindung mine (and therefore 95% of the Toka Tindung and Kopra deposits)

In the near term, the Company expects to finalise additional drilling and assay analysis for Toka Tindung, Kopra and neighbouring deposits; potentially leading to further increases in resource estimates. The resource

increases also provides foundation for a further review of Archipelago's reserves; with an update to be issued in Q1 2012.

Competent Person Statement

The Information in this report that related to mineral exploration results, together with any related assessments and interpretations, have been verified by and approved for release by Mr. Graeme Fleming B App Sc (Geol), MAusIMM, a qualified geologist and full-time consultant for PT. Tambang Tondano Nusajaya, a subsidiary of Archipelago Resources PLC. Mr. Fleming has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which 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". Mr. Fleming consents to the inclusion of the information contained in this report in the form and context in which it appears.

Further information:

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Glossary of Terms

Ag	Silver
Au	Gold
g/t	grams per tonne
JORC	the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources & Ore Reserves
k	thousand
M	million
oz	Troy ounces
t	tonnes
US$	United States Dollars
%	Percentage

The following terms have the meaning given to them by JORC: Competent Person, Indicated, Inferred, Measured, Resource and Reserve.

About Archipelago

Archipelago is a mining company listed on the AIM market of the London Stock Exchange. The Company's principal activities are gold mining and exploration in Indonesia (as the 95% owner of the producing Toka Tindung Gold Mine in North Sulawesi, Indonesia). The Company is also advancing exploration projects in Vietnam and the Philippines.