

ASX Announcement (ASX:**AXE**)

28 July 2017

Early success at North Broken Hill Project

Highlights

- Cobalt presence confirmed in maiden regional rock chip sampling program at the North Broken Hill Cobalt Project (Project).
 - Reconnaissance sampling has identified six distinct new cobalt anomalies delineated in the Project area to date.
 - Peak cobalt value of 0.3% (3,000ppm) recorded in rock chips.
 - The newly discovered Yancowinna cobalt anomaly has an observable strike length of > 500m.
 - Historical drilling focussed entirely on Broken Hill style mineralisation meaning that nearly all cobalt areas are either untested or ineffectively tested by drilling.
 - The maiden regional sampling program has been effective in defining previously unknown cobalt anomalies within the larger Project area.
 - Additional samples from other areas are still to be submitted and assays reported, from field observations it is anticipated that additional anomalies will be reported.
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Archer Exploration Limited (ASX:AXE, Archer or the Company) is pleased to announce the results from the Company's maiden reconnaissance rock chip sampling program undertaken across regional prospects on the Company's 100% owned North Broken Project, located approximately 20km north of Broken Hill, NSW, within close proximity to existing road, rail, power and other significant infrastructure.

The regional prospects are primarily located along strike from Cobalt Blue Ltd's (ASX:COB) Thackaringa Cobalt Project which hosts a JORC 2012 compliant Mineral Resource Estimate of 54.9Mt @ 910ppm Co (refer ASX release 05/06/17). Significant areas of cobalt anomalism have been defined within close proximity of the Thackaringa Cobalt Project.

Greg English, Executive Chairman said "The results from Archer's maiden exploration program at North Broken Hill have greatly exceeded our expectations. To be able to discover six new distinct cobalt anomalies within one month from the grant of the tenements in June this year, is a great achievement by our exploration team."

"We are very encouraged by these initial results and the wider potential of the Project area. We are only just getting started at North Broken Hill, with exploration to date only covering about 10% of the larger project area" said Mr English.

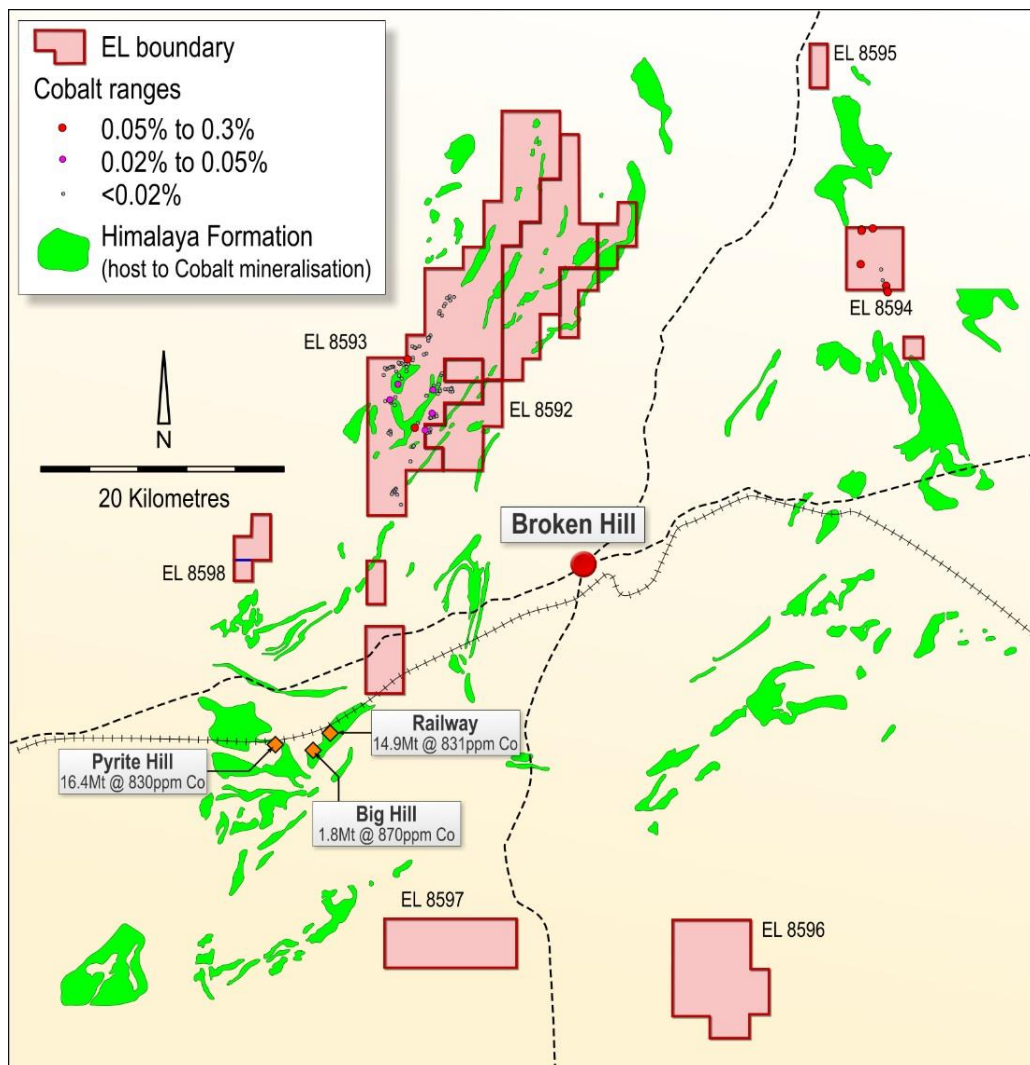


Figure 1: Location of anomalous Cobalt (>0.05%) samples

The initial results will be integrated with existing geophysical data and the results from further soil and rock chip sampling programs, to delineate and rank targets for future drill testing.

Project description

The North Broken Hill Project area is made up of seven granted tenements which are located in close proximity to Broken Hill. The underlying geology comprises the Thackaringa Group rocks (including the Himalaya formation) as well as other rocks of the Willyama Supergroup, including those that host the Broken Hill deposit. The Thackaringa Cobalt Project is located 30km to the southwest of the Project area.

Reconnaissance Sampling Program

Archer commenced its maiden regional rock chip sampling program soon after grant of the North Broken Hill tenements. The Company has been systematically collecting rock chip samples from previously unsampled areas that are considered prospective for cobalt mineralisation (Figure 1).

This initial exploration work has been targeting those areas that have been identified by NSW government mapping as hosting rock types that are prospective for cobalt mineralisation (e.g. Big Hill, Sisters and Great Eastern type).

To date less than 10% of the Project area has been sampled. The remaining sites will be visited over the coming weeks and months to further to assess their cobalt prospectivity and locations with cobalt potential will then be ranked and re-visited.

Results

The reconnaissance sampling program has so far identified six distinct anomalies within the Project area. All of the six anomalies are new discoveries with no information available from historical datasets. The cobalt rock chip results for the Project are presented below and described in detail in Annexure A.

Easting	Northing	Co (%)	Cu (%)	Prospect Name
568143	6487135	0.30	0.05	Yancowinna
568143	6487135	0.22	0.05	Yancowinna
568128	6487176	0.22	0.15	Yancowinna
568115	6487204	0.13	0.05	Yancowinna
565939	6489479	0.16	0.65	Yancowinna West
529216	6476027	0.16	0.01	Himalaya

Table 1. Significant Cobalt rock chip results

The rock chip sampling has helped identify three geochemically distinct mineralised areas within the larger Project area.

Yancowinna Cobalt Anomaly

The Yancowinna Prospect is situated in the southern portion of EL 8594 (Figure 2). The Yancowinna cobalt anomaly has so far been identified over 500m of strike length, with a peak value of **0.3% (3,000ppm) cobalt** recorded.

The Yancowinna cobalt anomaly, corresponds with previous NSW state government mapping, as occurring within a package of the Himalaya Formation which are the same rocks that host the Thackaringa Cobalt Project.

A single sample approximately 3km northwest of Yancowinna and thought to be associated with Great Eastern Style mineralisation, returned a highly anomalous cobalt rock chip value of **0.16% cobalt** and **0.65% Copper** (Yancowinna West). These results are promising and the Company will re-visit this site in the coming weeks.

Additional rock chip samples up to 0.07%Co have been identified for follow up at Acacia Tank in the north of the tenement.

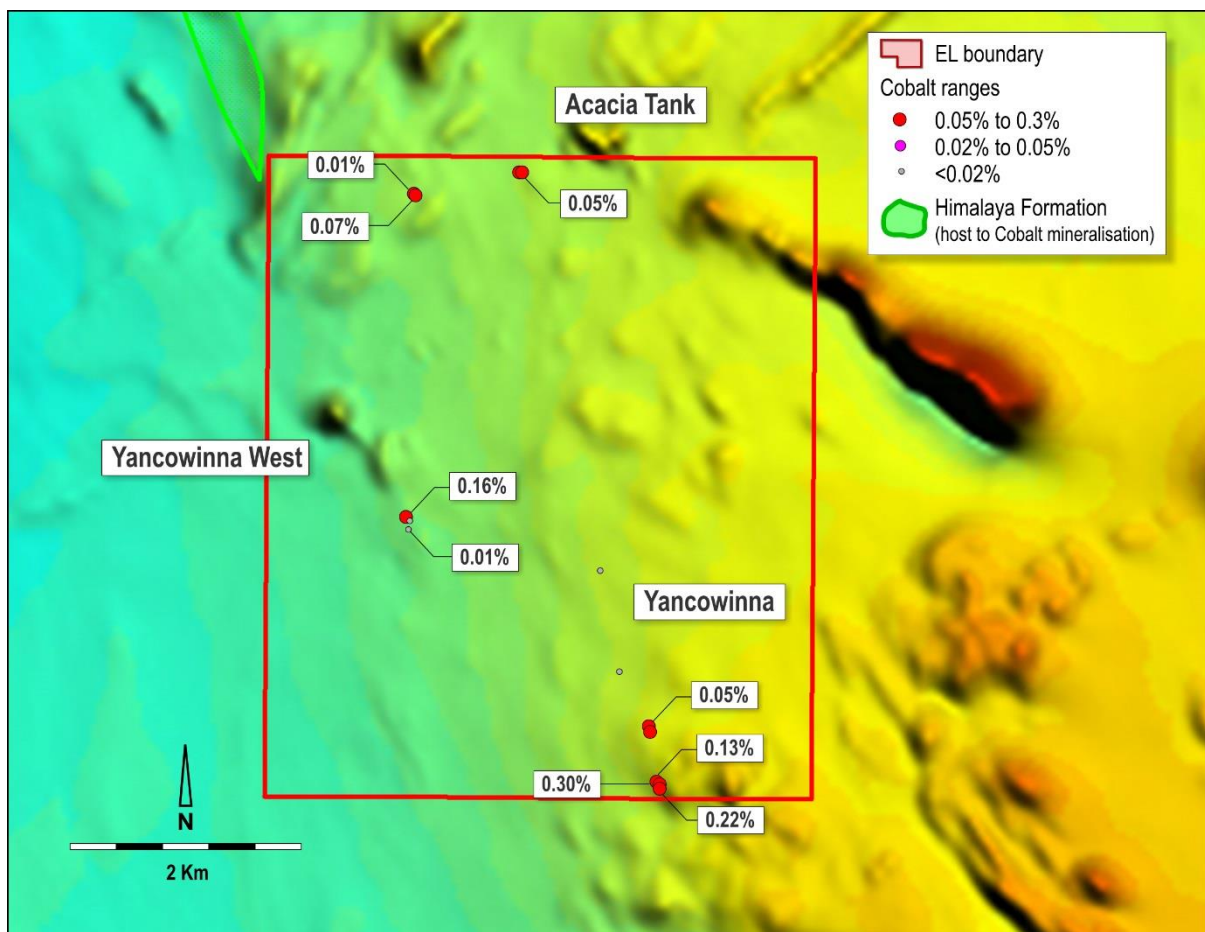


Figure 2: Cobalt results from rock chip sampling at Yancowinna over magnetic image

Himalaya Cobalt Anomalies

The Himalaya trend of cobalt rock chip anomalies represents a significant strike extent of prospective stratigraphy. The cobalt anomalism extends for over 3.8km within the Project area (Figure 3), with anomalies occurring in areas of northeast-southwest trending sub-cropping stratigraphy.

The maiden sampling program has confirmed historical mines and non-cobaltiferous mineralisation known on this trend and identified a further 4 to 5 new cobalt targets.

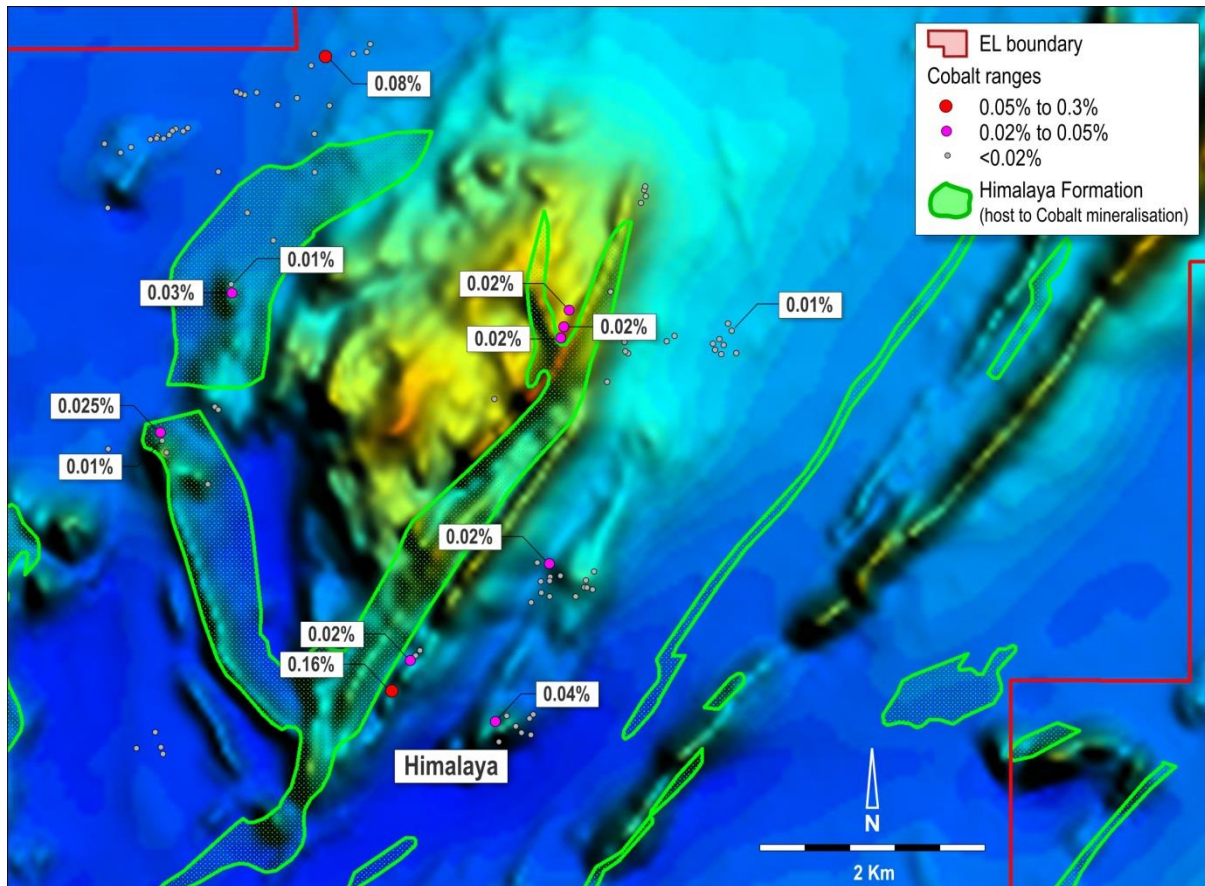


Figure 3: Cobalt results from rock chip sampling at Himalaya over magnetic image

Next Steps

The maiden North Broken Hill regional rock chip sampling program has been effective in discovering new cobalt anomalies within the larger Project area. These anomalies have been discovered in areas where the types of rocks that are known to host cobalt have been previously identified.

Archer will continue the regional rock chip sampling across the rest of the Project area and report these results as they come to hand. The data from the rock chip sampling will be integrated with geophysical data to prioritise and rank targets for future drill testing.

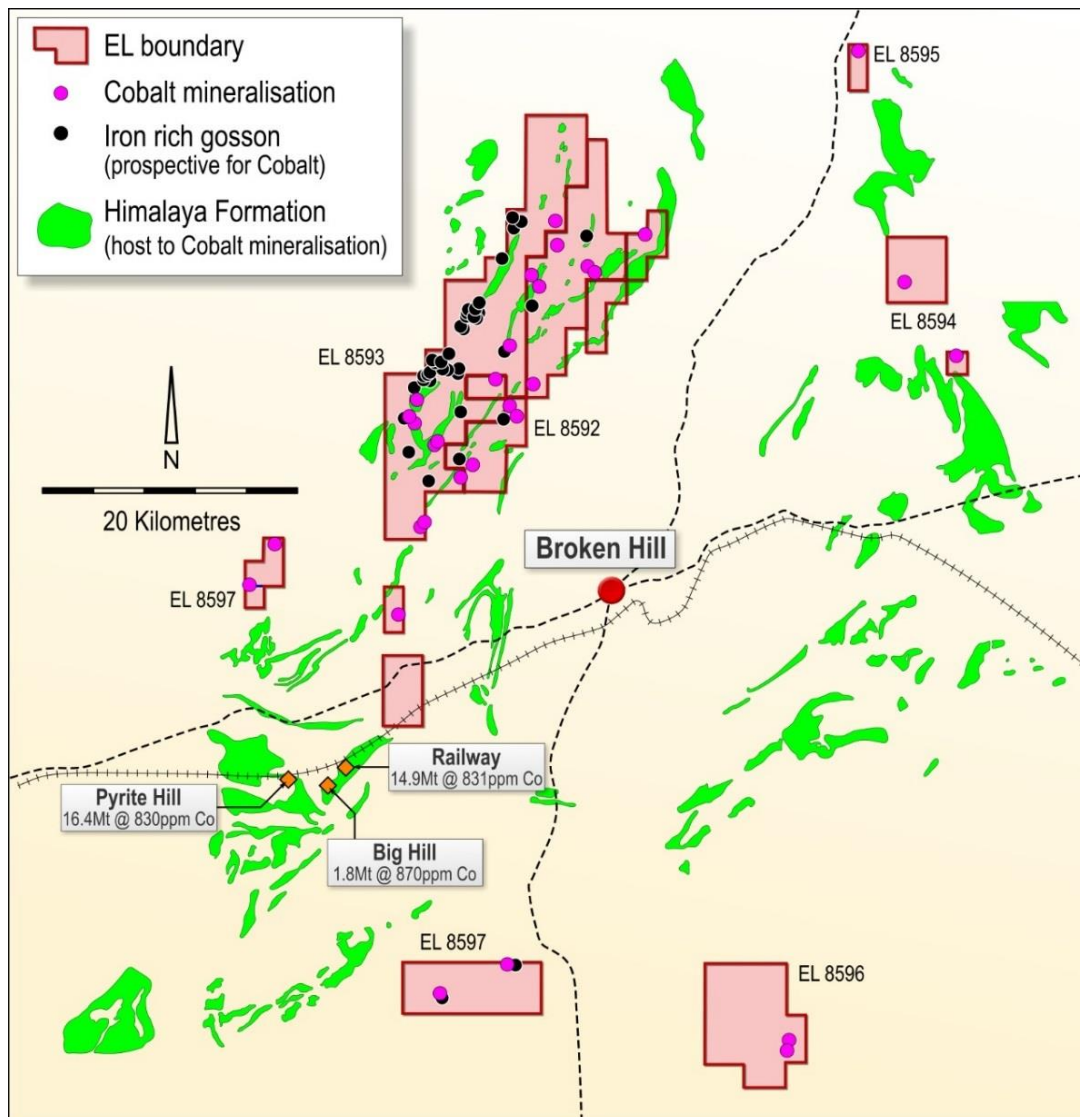


Figure 4: Archer's North Broken Hill Cobalt Project

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Wade Bollenhagen, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Archer Exploration Limited.

Mr Bollenhagen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Bollenhagen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Random rock chip samples, some with obvious copper/base metal mineralisation. Sampling was guided by Archer’s protocols as the program was exploratory in nature. No standards were submitted by the company during analyses. All samples were sent to ALS laboratory in Adelaide for preparation and forwarded to Peth for multi-element analyses. All samples are crushed using LM2 mill to –4 mm and pulverised to nominal 80% passing –75 µm.
Drilling Techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> Drilling is not being reported in this release

Criteria	JORC Code Explanation	Commentary
Drill Sample Recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Drilling is not being reported in this release.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Samples were described for geological purposes. Drilling is not being reported in this release.
Sub-Sampling Techniques and Sample Preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Drilling is not being reported in this release.

Criteria	JORC Code Explanation	Commentary
Quality of Assay Data and Laboratory Tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Certified standards were not used in the assessment of the analyses. Analyses was by ALS Perth using their ME-MS61 technique for multi-elements. Gold was determined using the method Au_AA26. The laboratory uses their own certified standards during analyses.
Verification of Sampling and Assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No verification of sampling, no use of twinned holes. Data is exploratory in nature and exists as excel spread sheets. No data adjustment.
Location of Data Points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> MGA94 Zone 54 grid coordinate system is used. A hand-held GPS was used to identify the sample location Quality and adequacy is appropriate for this level of exploration
Data Spacing and Distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drilling is not being reported in this release.

Criteria	JORC Code Explanation	Commentary
Orientation of Data in Relation to Geological Structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Drilling is not being reported in this release.
Sample Security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> It is assumed that best practices were undertaken at the time All residual sample material (pulp) are stored securely.
Audits or Reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> None undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Tenement status confirmed on MINVIEW2. All work being reported is from EL 8592, 8593 & 8594 (owned by SA Exploration Pty Ltd, a subsidiary of AXE). The tenements are in good standing with no known impediments.
Exploration Done by Other Parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration has been conducted within the areas for a very long time, the research is ongoing to identify all the historic explorers. Some 29 companies have been identified so far with formal reports dating back to 1971, Exploration is dominated by the search for Pb-Zn-Ag deposits of the Broken Hill style of mineralisation, There is limited reporting of other commodities other than Pb-Zn-Ag-Cu and Au in soils, rock chip sampling and drill hole sampling. Geophysical surveys have been reported, these are still being collated to determine their locations and suitability for exploration.

Criteria	JORC Code Explanation	Commentary
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Big Hill style mineralisation where Co is associated with pyrite within the Himalaya Formation. The Great Eastern mineralisation where Co is associated with Copper. The Great Eastern mineralisation where Co is associated with Copper. The Sisters mineralisation where Co is also associated with Copper in iron rich chert layers
Drillhole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> Easting and northing of the drill hole collar Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar Dip and azimuth of the hole Downhole length and interception depth Hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Drilling is not being reported in this release.
Data Aggregation Methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Drilling is not being reported in this release.

Criteria	JORC Code Explanation	Commentary
Relationship Between Mineralisation Widths and Intercept Lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known'). 	<ul style="list-style-type: none"> Drilling is not being reported in this release.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Drilling is not being reported in this release.
Balanced Reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The reporting is considered to be balanced.
Other Substantive Exploration Data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Nothing to report at this stage
Further Work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further sampling is required throughout the tenements as well as testing for mineralisation under cover. Electro-magnetics will be required to vector areas of greater conductivity and higher mineralisation potential. Figures in the body of this report highlight the gaps in the data.

Annexure A - Summary of rock chip results

The following table provides the location and a summary of chemistry for rock chip samples, all data is in Zone 54. A total of 167 rock chip samples were collected and submitted for assay. The following table only reports those samples that were reported as having Co values > 100ppm (0.01%).

Assays presented here are considered relevant to the release but do not include the entire suite of elements assayed for, elements that are not reported are not considered economic (e.g. Ni, Pb, Fe etc.)

Sample_id	Easting	Northing	Au (g/t)	Ag (g/t)	Co (%)	Cu (ppm)
IC170615-02	530144	6475762	0.01	0.51	0.04	17
IC170616-01	529168	6476009	0.05	0.17	0.01	1675
IC170616-03	529390	6476307	0.01	2.42	0.02	916
IC170616-13	530622	6477155	<0.002	4.03	0.02	735
IC170617-03	527164	6478327	0.05	0.05	0.02	122
IC170617-04	527181	6478252	0.02	0.04	0.01	105
IC170617-11	527800	6479566	0.03	0.02	0.03	37
IC170617-12	527793	6479611	0.13	0.04	0.01	304
IC170619-18	528635	6481650	0.67	1.03	0.08	412
IC170621-03	530733	6479261	0.01	0.47	0.02	1420
IC170621-04	530720	6479155	0.04	0.16	0.02	1815
IC170621-05	530793	6479405	0.02	0.13	0.02	959
IC170621-08	532234	6479225	<0.002	1.7	0.02	341
IC170621-24	531411	6380292	0.00	0.52	0.01	445
WD02718	529216	6476027	0.05	1.17	0.16	68
WD02733	567514	6488912	<0.01	0.29	0.02	575
WD02737	565968	6489378	0.01	0.37	0.01	1030
WD02748	566938	6492474	<0.01	0.19	0.05	78
WD02761	568143	6487135	0.01	6.55	0.22	450
WD02762	568128	6487176	0.01	0.69	0.22	1530
WD02763	568115	6487204	0.13	11	0.13	455
WD02766	565939	6489479	<0.01	0.02	0.16	6470
WD02768	566020	6492273	<0.01	0.02	0.01	68
WD02769	566020	6492273	<0.01	0.05	0.07	52
WD02772	568053	6487650	0.03	0.47	0.05	273
WD02773	568143	6487135	<0.01	2.81	0.30	524