ASX Announcement (ASX:**AXE**) 23rd April 2019

Increased potential for Blue Hills to host copper-gold

Highlights

- Independent reviews of Blue Hills Copper-Gold Project (Project) conclude by significantly increasing the potential for future mineral discoveries in the Blue Hills tenement area.
- Recently completed reverse circulation drilling program (drilling program) intersected intrusive-style copper-gold mineralisation.
- Modelling of the results from the drilling program supports the presence of an intrusive style mineralising event that has the capacity to host copper-gold mineralisation at Blue Hills.
- Blue Hills regional geologic setting closely resemble areas hosting significant Cu (Nifty), Au-minor Cu (Telfer) and Cu-Au (Winu) deposits in Paterson Orogen in Western Australia.
- Archer has explored < 1% of the total Project area of 3,000km^2 with the larger tenement area remaining prospective for copper, gold, manganese, cobalt and other base metals.
- Archer has applied for a new tenement covering approximately 400km^2 to capture a target identified to the south-east of the Archer tenements in the Blue Hills Project Area, based on the outcomes of the drilling program and independent Project review.

Archer Exploration Limited ("Archer", "Company") is pleased to announce the results of independent reviews of Archer's 100% owned Blue Hills Copper-Gold Project (Project) and the application for a new exploration licence (tenement) adjacent to the Project. The Company applied for the new tenement as a result of independent consultant reviews that identified the presence of a possible buried intrusive to the south-east of Archer's existing Blue Hills tenements. The Project is located approximately 240 km north of Adelaide, South Australia (see About Blue Hills).

Drilling Program

In early February 2019, Archer completed a reverse circulation drill program (drilling program) at Blue Hills. The drilling was targeting large coincident copper-gold in soils anomalies at Hood, Hawkeye and Katniss prospects and an electromagnetic signature proximal to a modelled intrusion (ASX announcement 28 May 2018).

In addition to identifying copper, gold and molybdenum mineralisation, drill assay results also indicate the presence of pathfinder minerals such as bismuth, tellurium and arsenic (e.g. in the

form of pyrite). Whilst relatively low in concentration, the presence of these pathfinder minerals with the gold mineralisation and the identification of minor intrusive material (e.g. albitite) supports Archer's intrusive style geological model. Since the completion of drilling, a review of the Project has been undertaken by Archer with independent consultants.

Results within the area of existing Blue Hills soil anomaly

The local level review concluded that the drilling results support the concept that the exposed mineralisation is proximal in nature to an inferred intrusion or intrusions located at depth immediately east of Hood, Hawkeye and Katniss. The presence of these intrusions is inferred from a series of five circular to ovoid shaped magnetic lows (Figure 1) that are consistent with the magnetic signatures that would be produced from reduced I type granitic intrusions.

The possible presence of these buried intrusions is important as the intrusions are most likely to be the main source of the mineralisation. In addition to the modelled intrusives, the review identified several conductors that run parallel to regional west-northwest and north-northeast structural trends. Confirmation of the interpreted intrusions would require further drilling.

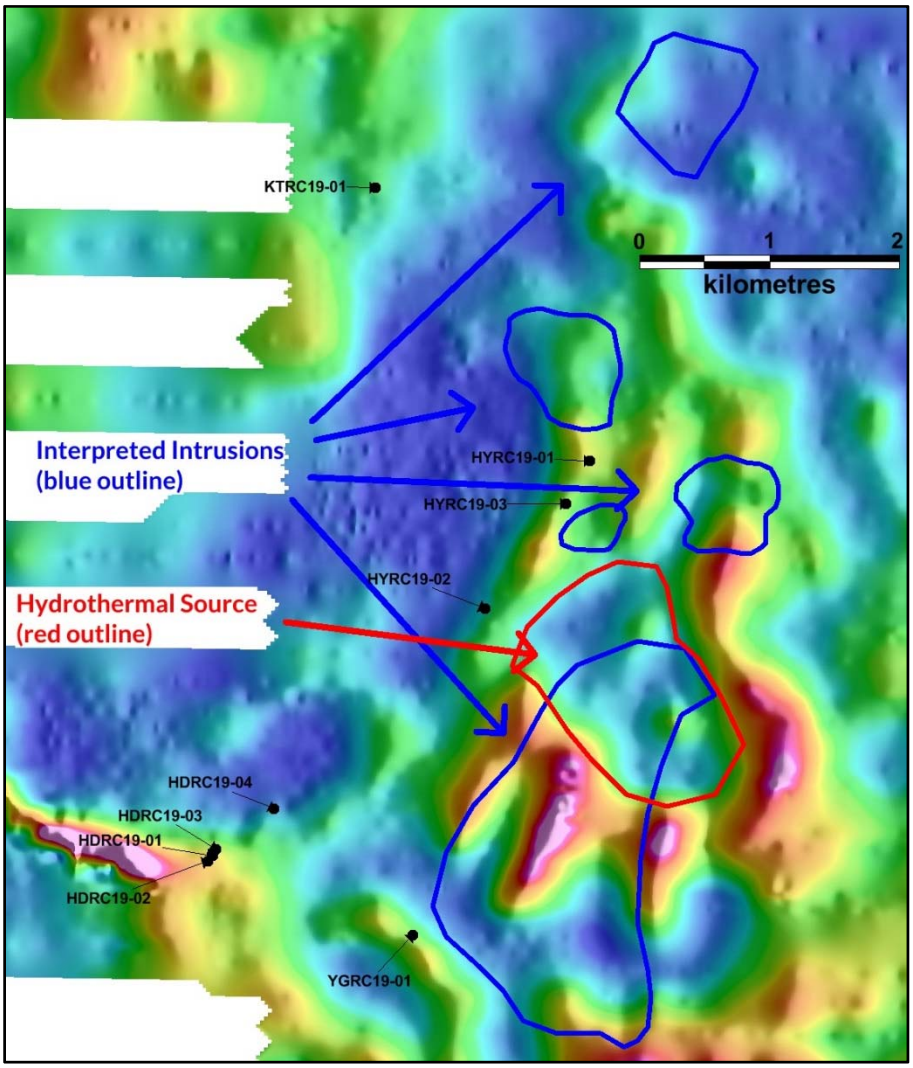

Figure 1. Interpreted intrusions over 100m depths slice of EM data in proximity to Hood, Katniss, and Hawkeye prospects of the Project.

Of interest is a horseshoe shaped conductive feature coinciding with the northern third of the largest magnetic low. This feature suggests the presence of sulphide mineralisation associated with the cupola of a blind intrusion.

Linear conductors extending from the southern edge of a horseshoe feature (Figure 1) are interpreted to be possible fluid escape structures which would allow any mineralised fluids to migrate through the country rock. Earlier Rotary Air Blast drilling and surface rock sampling by Archer demonstrated that some of the conductors are anomalous for copper, gold and pathfinder elements normally associated with intrusive related gold mineralisation.

The reverse circulation drill holes drilled by Archer in 2017 and 2019 were targeting the areas of coincident high surface mineralisation and associated electromagnetic conductors. **The holes that were drilled to relatively shallow depths at Hood appear to have gone over the top of the target**. Based on the results described above, mineralisation encountered in HDRC19-01 and 02 may represent the edge of a stronger mineralised zone at depth and to the south.

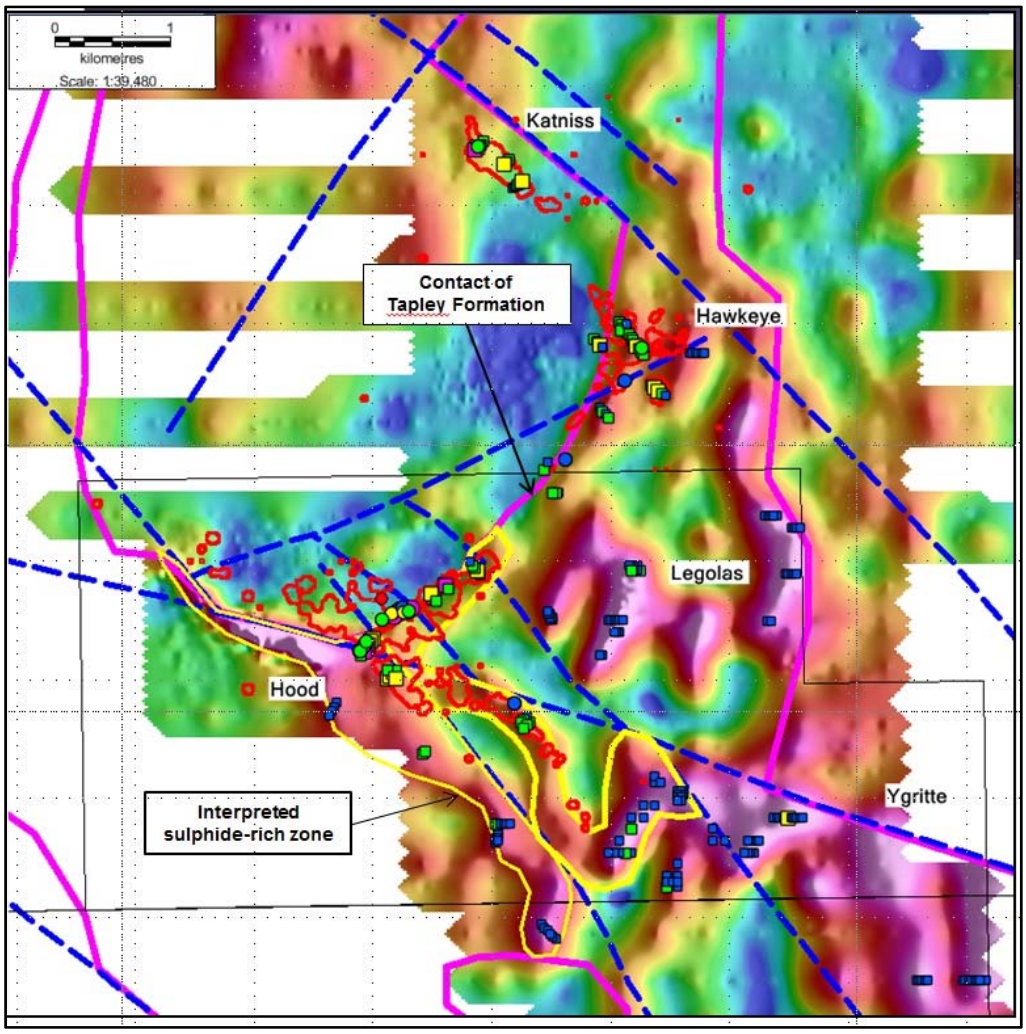

Figure 2. Interpreted SE extension to Hood outlined in yellow over 100m deep EM slice with RAB drill collars shown.

Regional results

A review of the geophysical data confirmed that the large-scale geology of the region is dominated by a large oroclinal flexure, where the dominant structural trend changes from N-S to NE. This flexure is associated with a NW-trending structural zone. Although many of the individual structures exposed at the current erosional surface that make up this zone are subtle; it is likely to represent a very fundamental deep-seated structural corridor. Such deep-seated structural zones are normally associated with mineralisation, and in this case, the Blue Hills prospect does occur associated with this zone (i.e. in a zone of structural complexity where it is intersected by several other structural sets).

The above interpretation provides a valuable insight into the larger structural setting for the prospects, where they fall inside this NW-SE corridor, adding support to the district scale potential for copper mineralisation and a significant discovery.

The larger Project area (incorporating the Blue Hills Project) covers an area > 3,000km^2 and remains prospective for copper, gold, manganese, cobalt and other base metals. Archer has explored < 1% of the total area.

Application for an Exploration Licence

Modelling of the existing gravity data suggests the presence of a buried intrusive body within the main NW-trending structural zone at its intersection with the Delamarian granite intrusive belt. Any buried intrusive body may be the source of any mineralisation in the area. The new tenement (ELA 2019/00027) covers parts of this and other gravity and EM targets that warrant future exploration.

Next Steps

The independent review of Archer's recent drilling at Blue-Hills confirms that Archer's exploration model is valid. Archer has applied for an additional exploration licence in the Blue Hills area and intends to collate all available information from the new tenement area for incorporation into the Blue Hills model to identify future exploration targets.

For further information, please contact:

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For more information about Archer's activities, please visit our:

Website
https://archerx.com.au/

Twitter:
https://twitter.com/archerxau?lang=en

YouTube:
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Competent Person Statement

The information in this announcement 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.

About Blue Hills

Archer's 100% owned Blue Hills Copper-Gold Project is part of the larger North Burra project area which covers an area of more than 3,000km^2. Blue Hills is located approximately 240 km north of Adelaide, South Australia and within 50km of the Moomba to Adelaide Gas Pipeline, the Hallet 203 MW gas power station, the trans Australia railway line, Barrier Highway, high voltage power line, known aquifers and the established townships of Peterborough and Jamestown.

Archer has discovered three large gold and copper in soils anomalies at Blue Hills, namely Hood, Hawkeye and Katniss. Regional exploration programs have identified multiple other targets which are yet to be tested by Archer.

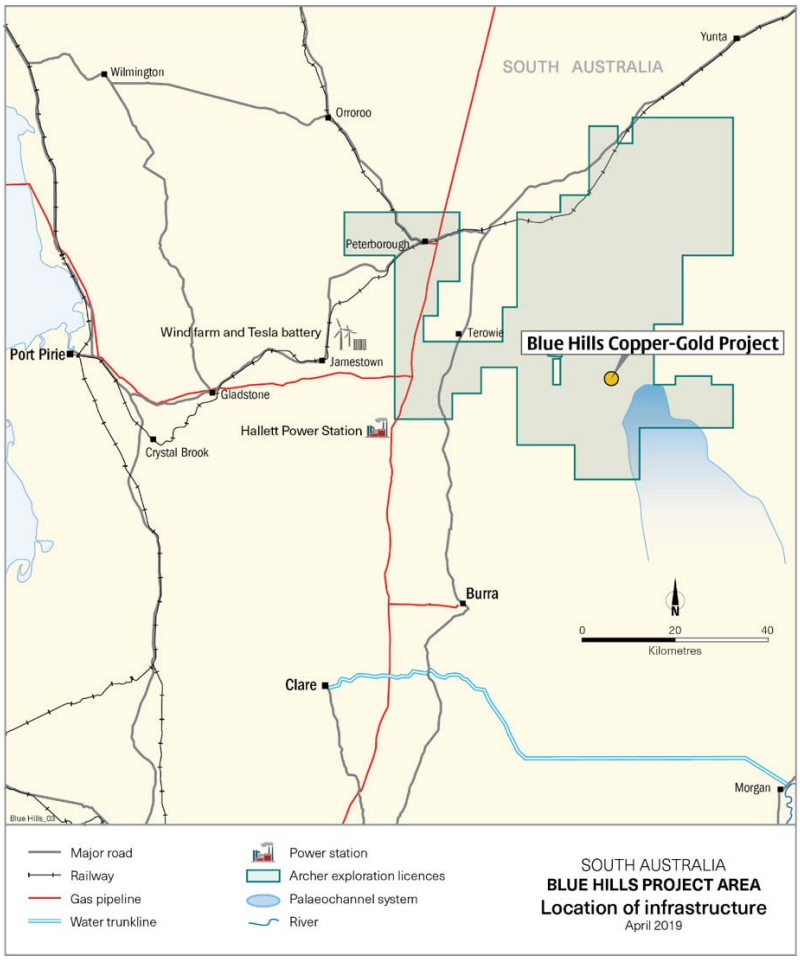

Figure 3. The Blue Hills Project Area, location of infrastructure, and Archer exploration licences.

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	• 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.	• No sampling being reported
Drilling Techniques	• 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.).	• No drilling being reported
Drill Sample Recovery	• 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.	• No drilling being reported

Criteria	JORC Code Explanation	Commentary
Logging	• 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.	• No drilling being reported.
Sub-Sampling Techniques and Sample Preparation	• 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.	• No sampling being reported.
Quality of Assay Data and Laboratory Tests	• 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.	• No sampling being reported.

Criteria	JORC Code Explanation	Commentary
Verification of Sampling and Assaying	• 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.	• No sampling being reported.
Location of Data Points	• 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.	• No drilling being reported.
Data Spacing and Distribution	• 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.	• No drilling being reported.
Orientation of Data in Relation to Geological Structure	• 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.	• No drilling being reported.
Sample Security	• The measures taken to ensure sample security.	• No sampling being reported.
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	• No auditing or reviews of sampling techniques and data.

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	• 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.	• Tenement status confirmed on SARIG. • All tenements are in good standing with no known impediments.
Exploration Done by Other Parties	• Acknowledgment and appraisal of exploration by other parties.	• Previous exploration has been for diamonds amongst the numerous kimberlites present.
Geology	• Deposit type, geological setting and style of mineralisation.	The reported summarised in the release are the subject of two reports prepared for Archer Exploration Ltd. These are; • *Blue Hills Project, South Australia; Evidence for an Intrusive Related Cu-Au System.* By Dave Heberlein M.Sc , P.Geo. Consulting Exploration Geochemist. February 27th 2019. • *Review of the Blue Hills Copper Exploration Project South Australia.* Jon Hronsky March 2019.

Criteria	JORC Code Explanation	Commentary
Drillhole Information	• 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: – 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.	• No drillholes being reported
Data Aggregation Methods	• 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.	• No drilling being reported.
Relationship Between Mineralisation Widths and Intercept Lengths	• 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').	• No drilling being reported.
Diagrams	• 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.	• See main body of report.
Balanced Reporting	• 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.	• The reporting is considered to be balanced.

Criteria	JORC Code Explanation	Commentary
Other Substantive Exploration Data	• 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.	• Albitite dykes have been identified in the area. These findings support the presence of intrusion events.
Further Work	• 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.	• See main body of report.