Mineral Exploration
Nickel

ACN: 123 993 233

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Albion Downs Nickel Project update

Highlights

- Review confirms prospectivity of Archer's Albion Downs nickel project (Project).
- Project is located along strike from BHP's Mt Keith nickel mine and MPI Mines Jericho nickel project.
- Potential exists for Type 1 (e.g. Mount Keith and Jericho style) massive sulphides within Archer's tenement area.
- Archer to remodel existing data and undertake a new geophysics survey to generate targets for future drill testing.

Archer Exploration Limited ("Archer", "Company") is pleased to announce the results of an independent review of the Company's 100% owned Albion Downs Nickel (Project) located approximately 18 km NNW of BHP's Mount Keith Nickel Mine, Western Australia.

The project consists of one exploration licence E53/1926 granted in 2018. Since the grant of the tenement Archer has been methodically reviewing historic information relating to the tenement. As part of this work, the Company engaged an independent consultant to review the prospectivity of the tenement and in particular, the potential for the discovery for massive, magmatic nickel sulphides.

The review concluded that:

- The ultramafic stratigraphy present within E53/1926 forms part of a larger unit which is considered prospective for magmatic nickel sulphides, based on previous drill hole data immediately to the north (BHP) and south (Norilsk) of the tenement.
- Potential exists for Type 1 (e.g. Mount Keith and Jericho) massive sulphides within E53/1926 given the occurrence of massive sulphides at BHP's nearby Jericho prospect and the presence of disseminated sulphides immediately to the south (Norilsk).

Commenting on the Albion Downs Nickel Project, Archer Executive Chairman Greg English said, "We are pleasantly surprised by the results from the review of our Albion Downs Nickel Project. The tenement is within a known nickel province and the potential for accumulation of massive nickel sulphide mineralisation at or near the footwall contact positions of the ultra-mafic remains high."

"We intend to review the existing geophysics and to acquire additional data during this quarter with the expectation of identifying drill targets".

Background

Archer's 100% owned exploration licence E53/1926, is located approximately 18km NNW of Mt Keith, Western Australia. The tenement adjoins BHP Billiton's M23/411 to the north and MPI Mines' (Norilsk) M53/238 and E53/1167 to the south (Fig. 1).

Historic exploration undertaken by WMC and others in the area confirmed the presence of disseminated nickel sulphides to the north and south of the tenement with minimal historic drilling within the area of Archer's tenement. Only two RC holes were drilled on E53/1926 with the assay data indicating elevated nickel mineralisation, however the limited information does not indicate if this is in weathered rocks or fresh komatiite.

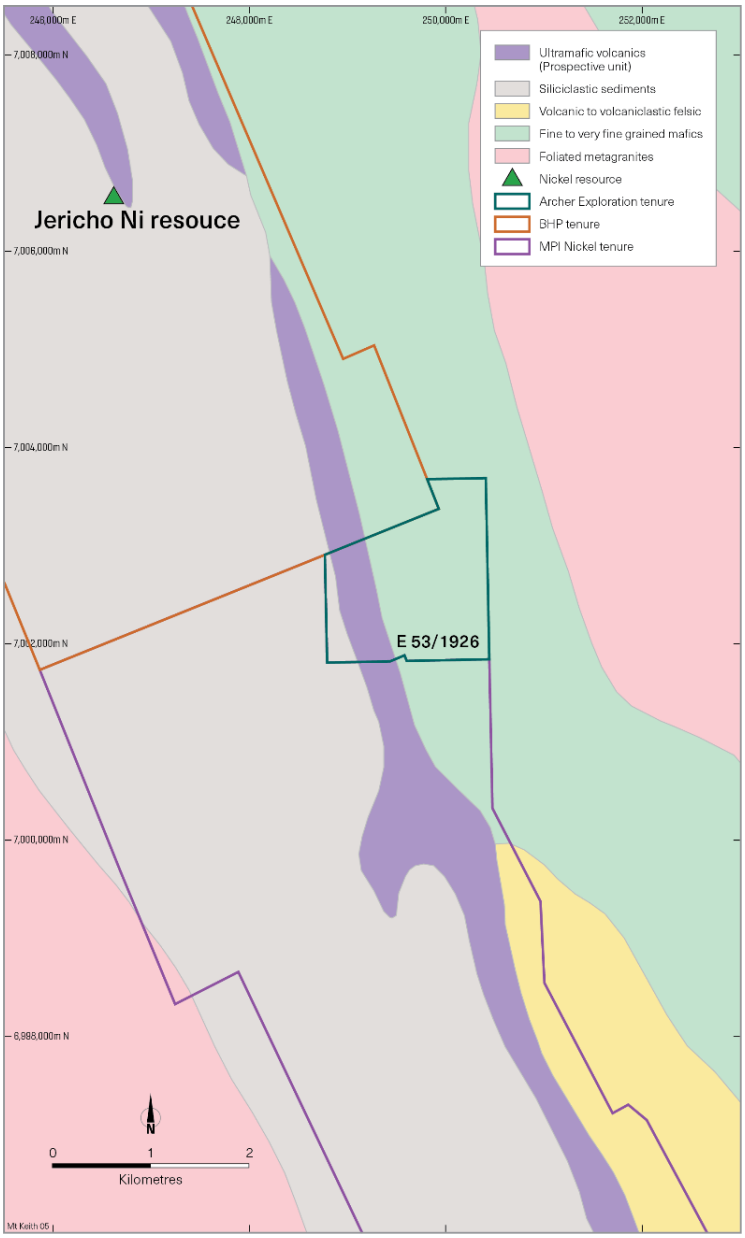

Fig. 1 Location of E53/1926 and adjoining tenements held by BHP (orange boundary) and MPI Mines (purple boundary).

Geological Setting

E53/1926 is situated within the northern part of the Norseman-Wiluna greenstone belt of the Eastern Goldfields Province. This part of the belt consists of a lower metamorphosed ultramafic to mafic volcanic sequence which passes into an upper succession of felsic to intermediate volcanic rocks and sedimentary lithologies. Numerous porphyries and dolerites have intruded the sequences.

The belt is host to significant gold and nickel deposits including the nearby Wiluna gold deposits and the ultramafic-hosted Mount Keith, Perseverance, Six Mile, and Honeymoon Well nickel deposits (Fig. 2).

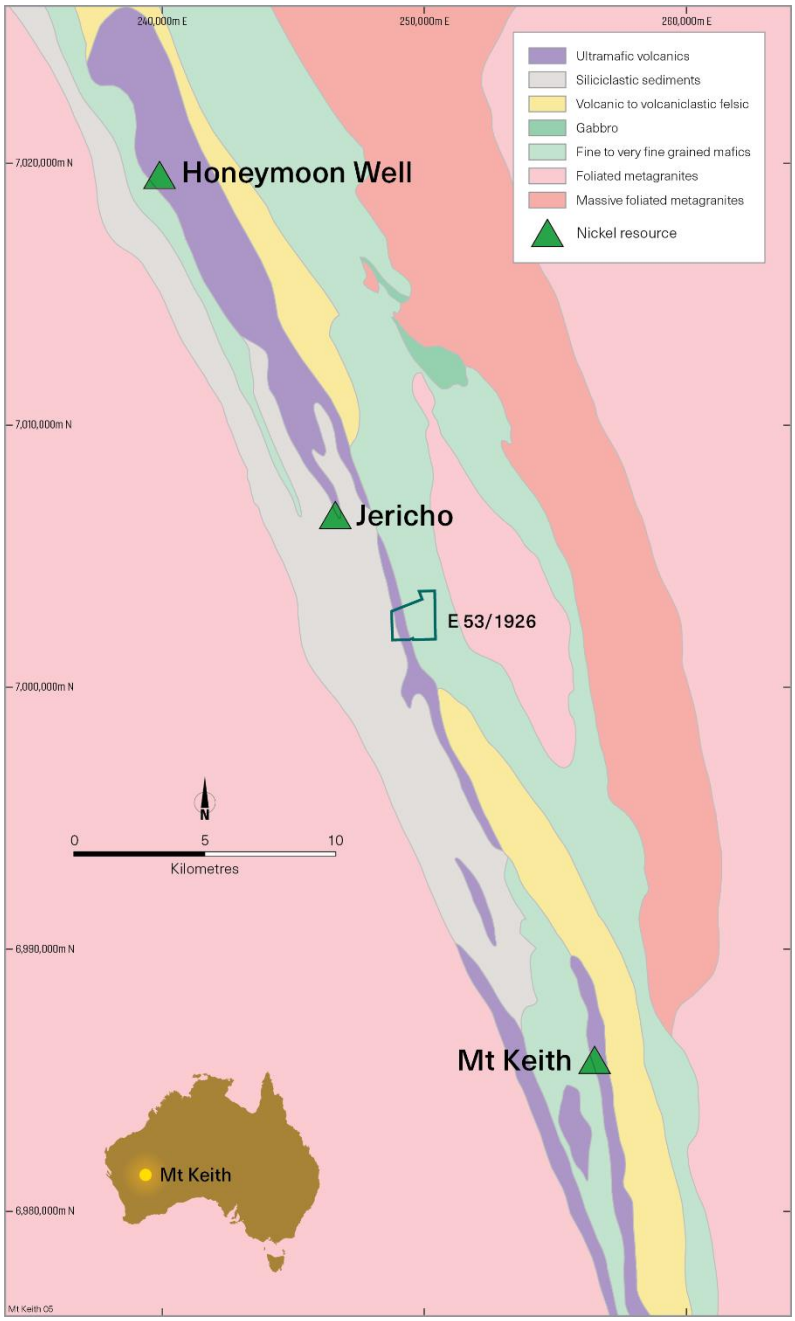

Fig. 2 Location of E53/1926 within the Norseman-Wiluna greenstone belt.

To the North and South of E53/1926 the nickel mineralisation is magmatic, and provides the necessary condition for the prospectivity of a komatiitic unit. The presence of confirmed magmatic sulphides, regardless of the nickel grade, confirms the prospectivity of the area. The magmatic sulphide drill intersections demonstrate that the ultramafic melt has reached sulphide saturation, and the presence of a 2m intersection at greater than 0.6 % nickel allows for the possibility of higher grade Type 1 sulphide accumulations. The same geological unit extends to E53/1926 and the Company believes that the potential exists for accumulations of massive sulphides within the area of E53/1926. The remaining strike of the prospective komatiitic unit is held by BHP to the North and MPI to the South (Fig. 1).

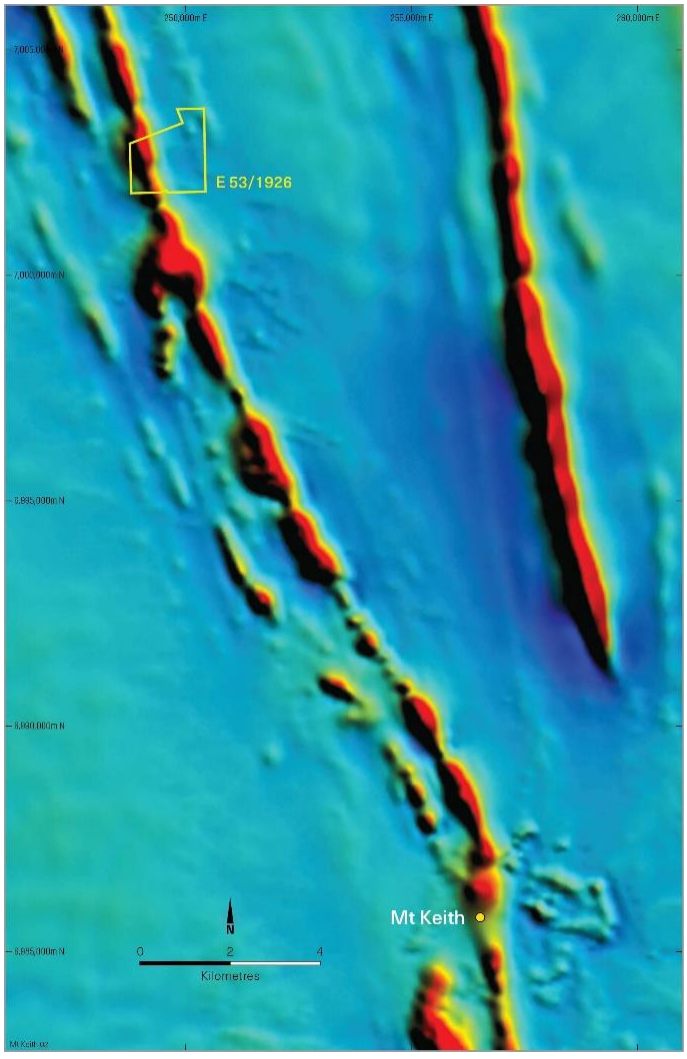

Fig. 3 Location of E53/1926 over regional magnetics.

Historical work

From literature review, it appears as though most drilling was undertaken in the mid to late 1990's, but it is unclear if this was completed earlier. RAB drilling was the dominant technique used, with some RC and less diamond drilling undertaken across the historical tenement that covered E53/1926. The ground has been explored for gold and nickel and the area appears to have a transported cover up to 45m thick.

The RAB drilling was drilled vertically and no geological records exist to describe the type of rock drilled (i.e. weathered ultramafic or fresh ultramafic rocks).

Historically, diamond drilling was carried out on the tenements immediately to the south of E53/1926 by MPI Mines and later Norilsk Nickel Australia, and this work provides some further indication of the prospectivity of the ultramafic unit under the license.

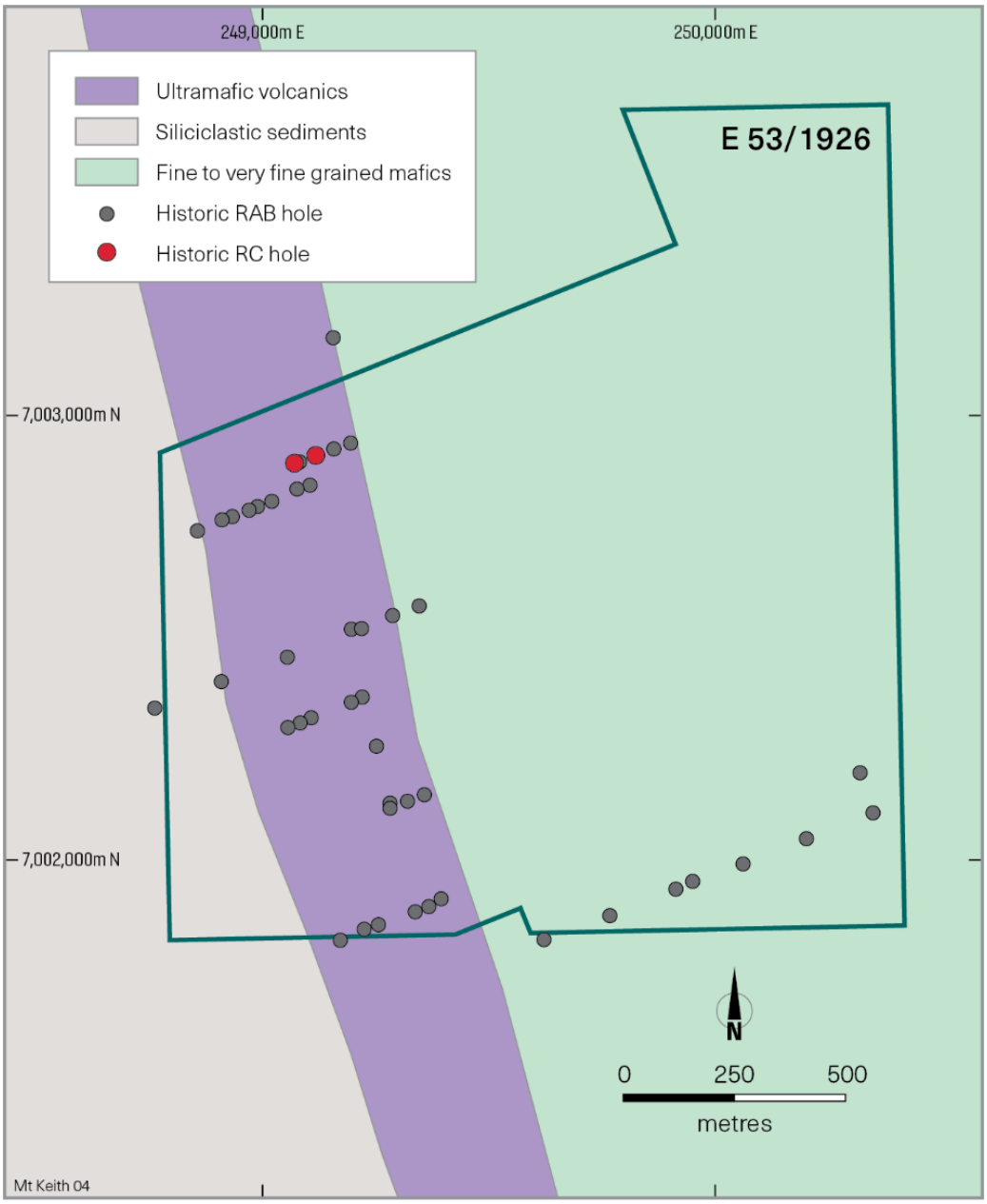

Fig. 4 Historical RAB (black) and RC (Red) drill holes under the tenement.

Two diamond holes (11NASD0001 and 11NASD0002) were completed in 2011 on tenements (M53/239 and M53/240), as reported by Grguric and Cooper (2013). These targeted arguably the same ultramafic unit as that present to the north on E53/1926. 11NASD0001 intersected disseminated magmatic sulphides.

Typical nickel grades for fresh rock ultra-mafic rocks are less than 0.3% Ni. The deepest hole drilled on the tenement (AD_BBWD15) only reached the footwall of the ultra-mafic unit at a depth of 100m, where weak mineralisation above 0.3% Ni was reported, it is unknown if this is in weathered (oxidised) or fresh rock. No additional work has been undertaken on the ground.

Next Steps

The tenement area covers ultramafic and surrounding mafic to felsic volcanic and sedimentary rocks that are generally overlain by transported alluvial and colluvial material. The depth of transported material (up to 45m) and depth of weathering varies significantly and depends largely on underlying geology, structures and alteration. This means that conventional soil sampling is not suitable and that Archer will need to use geophysics to generate drill targets.

The Company intends to reprocess the existing available geophysical data to identify possible drill targets. It is not known if the existing data set is complete, if not then Archer will need to undertake a geophysical survey (most likely electromagnetics to identify additional data).

For further information, please contact:

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

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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.

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 drill assays are being reported. • Sampling techniques used by historical explorers are unknown.
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 drill assays are being reported. • Historical drilling is summarised as RAB and RC drilling, no other information about the holes is known.
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 drill assays are being reported. • All historical work is unknown.

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 drill assays are being reported. • No historical work has been confirmed. • All work is unknown.
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 drill assays are being reported. • Historical work has not been confirmed. • All work is unknown.
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 drill assays are being reported. • Historical work has not been confirmed. • All work is unknown and based upon images from reports.

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 verification of historical work has been undertaken by Archer.
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 drill assays are being reported. • Historical work has not been confirmed. • Location points for holes AD_BBWD15 & AD_BBWRC10 are derived from raster images as their true co-ordinates are unknown.
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 information being reported is of a quality for resource reporting.
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 drill assays are being reported. • Historical work has not been confirmed, data in reports indicates RC drilling is orthogonal to the ultramafic unit. • True dips and azimuth (incl. RL's) for all holes are unknown.
Sample Security	• The measures taken to ensure sample security.	• No drill assays are being reported. • Historical work has not been confirmed.
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits 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	• 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 Geoview • All work being reported is from E53/1926, SA Exploration Pty Ltd (a subsidiary of AXE) owns the tenement. • The granted tenement is in good standing with no known impositions.
Exploration Done by Other Parties	• Acknowledgment and appraisal of exploration by other parties.	• Exploration undertaken by WMC, CRA, Riding Resources, Norilsk and MPI. • Historic work targeted gold and nickel. • Most extensive drilling work (RAB) was undertaken prior 1997. • Most recent work was undertaken by MPI, with 2 holes drilled in early 2000's, this is still to be confirmed as the drilling may have occurred in the 1990's. • The historical work has not been confirmed. • No collar or assay information is available, all information derived and reported comes from images in reports, the age of this information is unknown and requires confirmation through exploration, which is the subject of this release.
Geology	• Deposit type, geological setting and style of mineralisation.	• Situated within the northern part of the Norseman-Wiluna greenstone belt of the Eastern Goldfields Province.

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 drill assays are being reported. • The historical work has not yet been confirmed. • AD_BBWD15 Easting 249075 & Northing 7,002,878, RL unknown Dip unknown and Azimuth unknown, final depth 200m. • AD_BBWRC10 Easting 249122.5 & Northing 7002,847, RL unknown Dip unknown and Azimuth unknown, final depth 120m. • All co-ords are in MGA 54 Zone 50. • Attached Map shows location of these holes. • No reported information is available on the RAB holes except for was has been reported in historical reported available on WAMEX.
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 drill assays are being reported. • Historical work has not been confirmed. • No details are available in reports on any drilling.
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 drill assays are being reported. • No details are available in reports detailing any relationships. • No geological information is available on the drill holes.

Criteria	JORC Code Explanation	Commentary
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.	• Plans are shown indicating historical drill holes under the EL.
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.
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.	• Magnetic data has been collected historically over the EL, this is to be processed to assist in drill targeting.
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.	• Exploration work is required to confirm the historical work and advance the projects towards a more certain nature, which will hopefully lead to a confidence level where resources can be estimated.

References

Grguric, B.A., Cooper, R. (2013) Annual Report on the Albion Downs South Project for the period 8 July 2012 to 7 July 2013. MPI Nickel Pty Ltd, Combined reporting No. C36/2005, 18 pp.

Butt, C.R.M. and Brand, N.W. (2003) Mt Keith Nickel sulphide Deposit, Western Australia., CRC LEME.