

ASX Announcement

16<sup>th</sup> February 2017

## New Cobalt Project near Broken Hill

### Highlights

- Archer has extended its cobalt focus into the Broken Hill area.
- Cobalt mineralisation previously reported on Archer's ground but historically exploration has been focussed on silver-lead-zinc mineralisation.
- Large project area covering 381km<sup>2</sup> of the highly prospective Himalaya Formation which hosts Cobalt Blue's Big Hill, Railway and Pyrite Hill cobalt deposits.
- Archer's cobalt focussed tenement area now exceeds 2,000km<sup>2</sup> with numerous reported cobalt mineralisation in drill holes.
- Further updates to be provided over coming weeks.

Archer Exploration Limited (ASX:AXE) has added large areas of known cobalt mineralisation to its extensive portfolio of cobalt projects. Archer's new Great Northern Project covers an area of 381km<sup>2</sup> and is located approximately 20km northwest of Broken Hill, NSW.

The Great Northern Project area covers known outcrops of the Himalaya Formation which host Cobalt Blue's Pyrite Hill, Big Hill and Railway cobalt deposits with a combined resource of 33.1Mt @ 0.0833% cobalt (Figure 1). The Himalaya Formation is one of the most prospective areas for cobalt mineralisation in NSW.

Archer's main project areas are along strike from Cobalt Blue's cobalt deposits and the presence of the same rocks that host these deposits and previously reported cobalt occurrences on Archer's ground suggest high potential for further cobalt mineralisation.

Archer has lodged two exploration licence applications covering 381km<sup>2</sup> in the cobalt mineralised zone near Broken Hill. The tenement areas are close to existing town, rail, road and other critical infrastructure.

Exploration for cobalt in the area is still in its infancy with much of the earlier work focussed on the discovery of Broken Hill style mineralisation and not recognising the presence of cobalt. Little modern systematic exploration for cobalt has been

conducted on Archer's new Great Northern Project area, but the recording of known cobalt mineralisation and research indicates strong prospectivity for cobalt grades.

Archer's total cobalt exploration tenure now exceeds 2,000km<sup>2</sup>. Archer is focused on discovering and developing high grade cobalt deposits and is currently reviewing and prioritising the prospectivity of all of the company's existing cobalt tenements, which include:

- Ketchowla where Archer has previously reported high cobalt in rock chips (up to 0.59% Co) and drilling (11m @ 0.14% Co from 6 metres).
- Pollinga where Archer has mapped the main structure over 10km with grades of up to 0.2% Co from 32m – 38m reported in drilling.

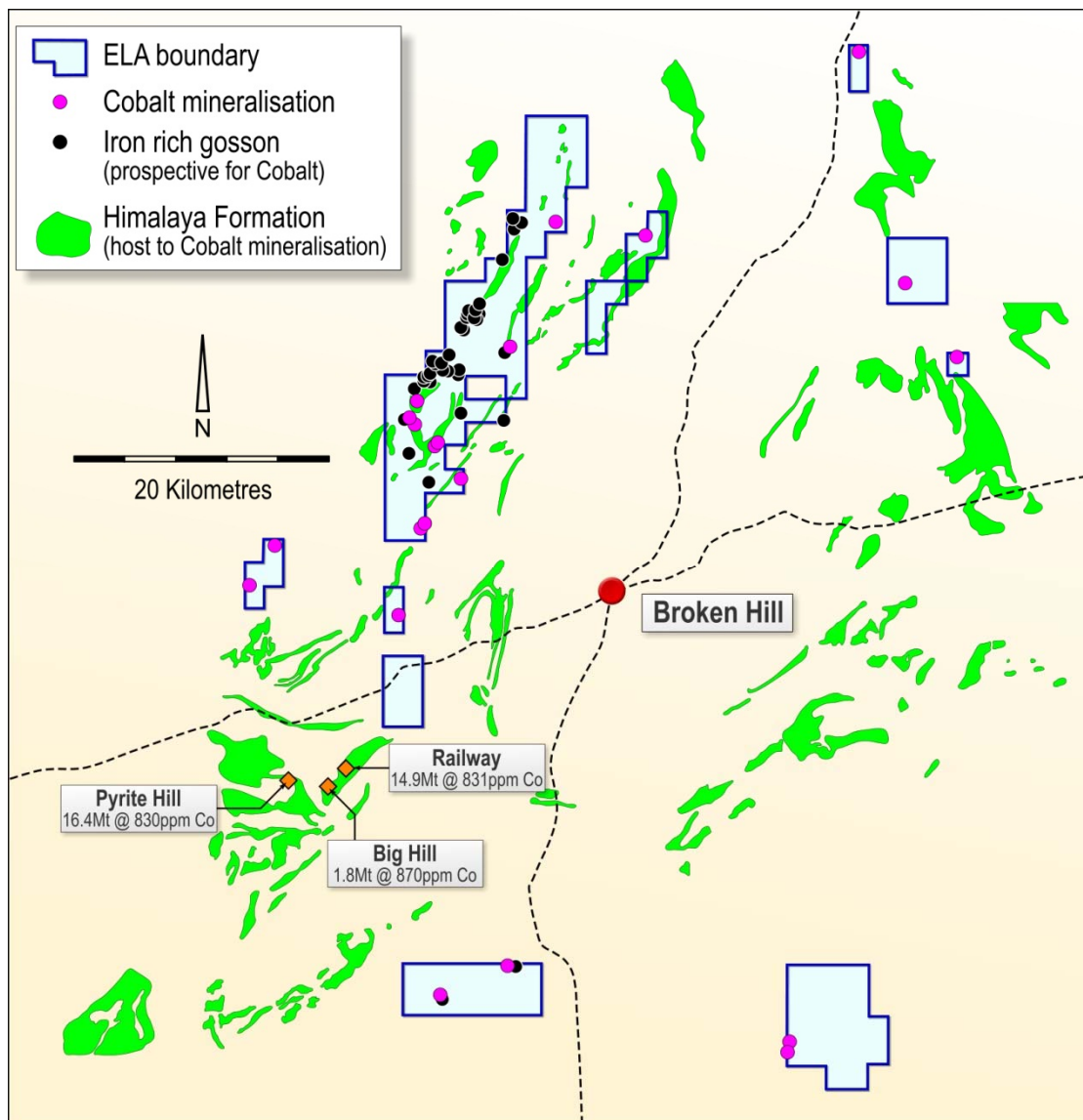


Figure 1: Location of prospects at Great Northern Project with significant Co rock chips samples

## **Next Steps**

Over the coming weeks, Archer expects to update the market regarding:

- Progress on the cobalt potential and the expansion of Archer's cobalt focussed tenement holdings.
- Assay results from drill holes and further exploration by Archer.
- Progress with approvals required for the drilling of Ketchowla in the coming months.

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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