

ASX Announcement

1 February 2017

## Termination of Cobalt Bull JV

### Highlights

- Archer has elected to terminate the farmin and joint venture agreement with Cobalt Bull.
- Tenements to remain 100% owned by Archer.
- Area of tenements hosts the high grade Ketchowla Cobalt Manganese Project:
  - Rock chip sampling identified **cobalt up to 0.59%** and manganese up to 48%.
  - Shallow significant cobalt intercepted near surface - 11m @ 0.11% Co and 12%Mn from 6 to 17m (including 4m @ 0.14% Co and 15.6% Mn).
- Significant potential exists for additional cobalt and manganese mineralisation, both locally and regionally.

Archer Exploration Limited (ASX:AXE) wishes to advise that it has elected to terminate the Farmin and Joint Venture Agreement (**Agreement**) with Cobalt Bull Pty Ltd (**CB**). This decision follows a favourable review undertaken on the cobalt potential of the project area and CB not meeting the final conditions precedent as stipulated as part of the Agreement.

Under the terms of the Agreement (ASX announcement 31/08/16) CB could earn a 75% joint venture interest in certain tenements, including the Ketchowla Cobalt Manganese Project. The Agreement allowed Archer to terminate if CB was unable to complete a capital raising or ASX listing by 31 January 2017.

Archer Executive Chairman, Mr Greg English:

*"In light of the strong interest shown in cobalt and the recent significant increase in the manganese ore price, Archer has decided to terminate the Agreement."*

*"Termination of the Agreement allows Archer to retain full ownership of the tenements (including the Ketchowla Cobalt Manganese Project) meaning that Archer shareholders will gain 100% of the benefit of any exploration success."*

## The Ketchowla Cobalt Manganese Project

The Ketchowla Cobalt Manganese Project, is located north of Burra, South Australia, within the Nuccaleena Formation. Ketchowla is a cobalt and manganese project which includes the K1 Prospect (centred around the historic small Ketchowla Mine) and numerous outstanding exploration targets and prospects, including the K2 to K9 prospects.

The area has historically been explored for copper and molybdenum mineralisation with minimal manganese or cobalt focussed exploration on the tenement area. Most exploration was focused on the eastern side of the tenement where extensive shallow drilling did not identify significant copper targets however, low level gold (up to 01.g/t) and widespread manganese mineralisation was discovered over vast areas of the tenement.

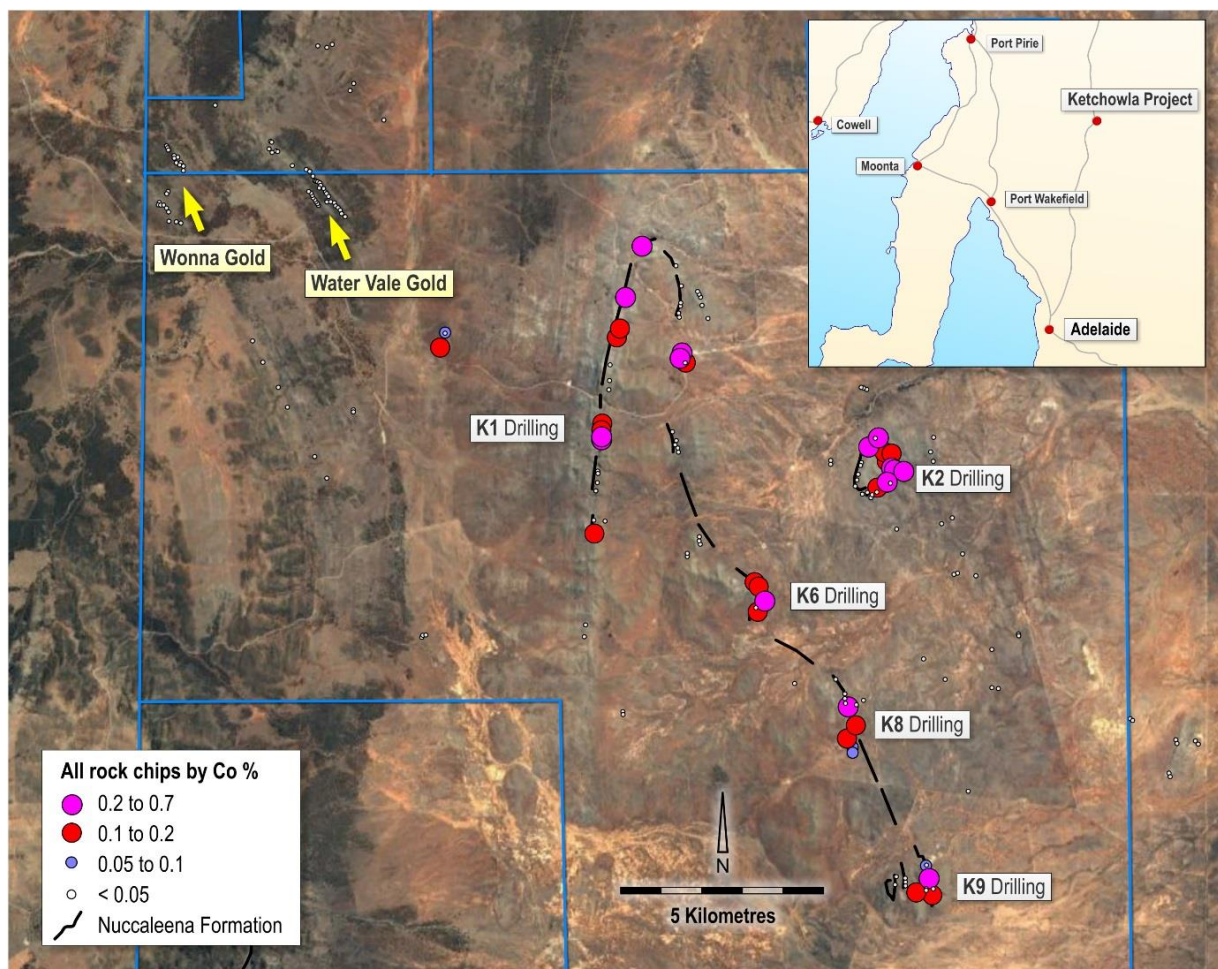


Figure 1: Location of prospects at Ketchowla Project with significant Co rock chips samples

Early rock chip sampling undertaken by Archer (ASX announcement 17/01/17) reported grades of up to:

- **0.59% cobalt (Co)** and 42% manganese (Mn) at K1 (includes K1 northern and southern extensions).
- **0.50% Co** and 48.1% Mn at K2.
- **0.29% Co** and 46.3% Mn at K3 – K9.

Shallow cobalt and manganese mineralisation was intercepted by Archer at K1 in both of two holes drilled at K1 (K1RC001 and K1RC004):

- K1RC001: **11m @ 0.11% Co and 12%Mn from 6 to 17m**, including 4m @ 0.14% Co and 15.6% Mn.
- K1RC004: 4m @ 0.11%Co and 17.5%Mn from 11 to 15m.

## Next Steps

Ketchowla forms an important part of Archer's larger tenement area that is prospective for cobalt. With the termination of the Agreement, Archer will now accelerate exploration at the high grade Ketchowla Cobalt Manganese Project.

For further information, please contact:

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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.

The report includes results that have previously recently been released under JORC 12 by Archer on 17/01/17. Archer is not aware of any new information that materially affects the information included in that announcement.