ABN 64 123 993 233

ASX Announcement 24 March 2017

Projects Update

Highlights

- Campoona Graphite Mining Lease public consultation has closed, mining lease on track to be issued mid-2017.
- Preparations for cobalt drilling at Ketchowla are underway with drilling to commence next month.
- Recent results confirm that the structure hosting cobalt and manganese at Polinga extends over 20km and is open north and south along strike.
- Opportunity for Archer shareholders to meet Archer management and attend presentations in Melbourne, Sydney and Adelaide.

Archer Exploration Limited (ASX: "AXE") is providing this announcement to update investors on the significant progress made by Archer during the past month.

Campoona Mining Lease

Archer is pleased to announce that the public submission phase of the Campoona mining lease application (**MLA**) is completed. The MLA covers the Campoona Shaft graphite deposit and includes applications for licences for associated graphite processing infrastructure at nearby Sugarloaf.

The decision by Archer to proceed with the MLA follows the completion of a high-level Scoping Study (ASX announcement 19 September 2016) that supported Archer's future development of the broader Eyre Peninsula Graphite Project.

The Scoping Study found the project is capable of producing ultra-pure and ultra-fine battery grade graphite as well as being suitable for graphene manufacture. The 140,000tpa mine would have an initial pre-production capital cost of just A$36 million with options for further expansion but over its 17-year mine life, would return indicative revenue of A$858 million.

The MLA process is progressing as planned and Archer is anticipating the grant of a mining lease sometime in mid-2017.

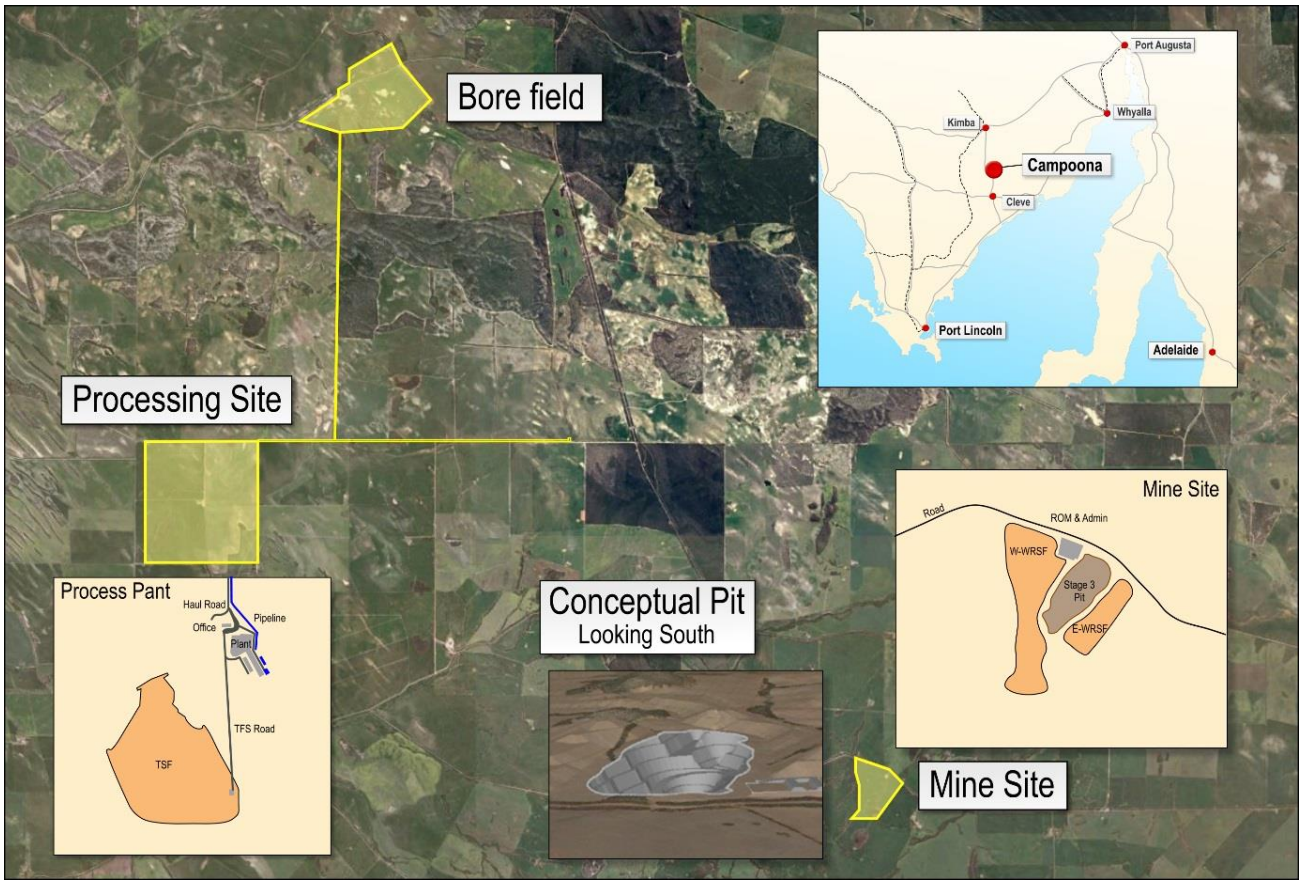

Figure 1: Campoona Graphite Project infrastructure layout

Ketchowla drilling

Archer has lodged all applications and documents required by DSD for approval of the upcoming Ketchowla cobalt focussed drilling program. The drill rig operator will be mobilising in early April with drilling to commence immediately after the necessary approvals have been granted.

As previously announced, previous drilling and other exploration by Archer at Ketchowla has identified high grade cobalt and manganese mineralisation at Archer's 100% owned Ketchowla Project. Archer has previously reported grades up to 0.64% cobalt in rock chips (ASX announcement 17 March 2017) and > 0.1% cobalt in shallow drill holes (ASX announcement 17 January 2017).

Drilling will target extensions to K1 and K2 structures with further Ketchowla drilling in June / July 2017 to take place at selective K3 – K9 targets and to follow up good results from K1 and K2.

Polinga structural drilling

Archer has completed the selective assay of historic drill holes at Polinga. The Polinga Project was first drilled by Monax Mining in 2008. Exploration efforts and drilling by Monax was primarily focussed on the discovery of manganese, with almost no assaying for cobalt. The Polinga structure remains largely untested for cobalt mineralisation.

The last four holes assayed by Archer (refer to table 1 below) targeted the structures controlling the cobalt and manganese mineralisation at Polinga. The re-assay results for these previously drilled holes suggest that the boundary of the cobalt and manganese mineralisation extends to footwall and hanging wall of the structure, and remains open at strike to the north and south..

Archer's Executive Chairman, Greg English said "Now that the Polinga structural controls are better understood, Archer is in a position to better target future exploration efforts, taking us a step closer to unlocking what could be a very exciting new cobalt and manganese discovery."

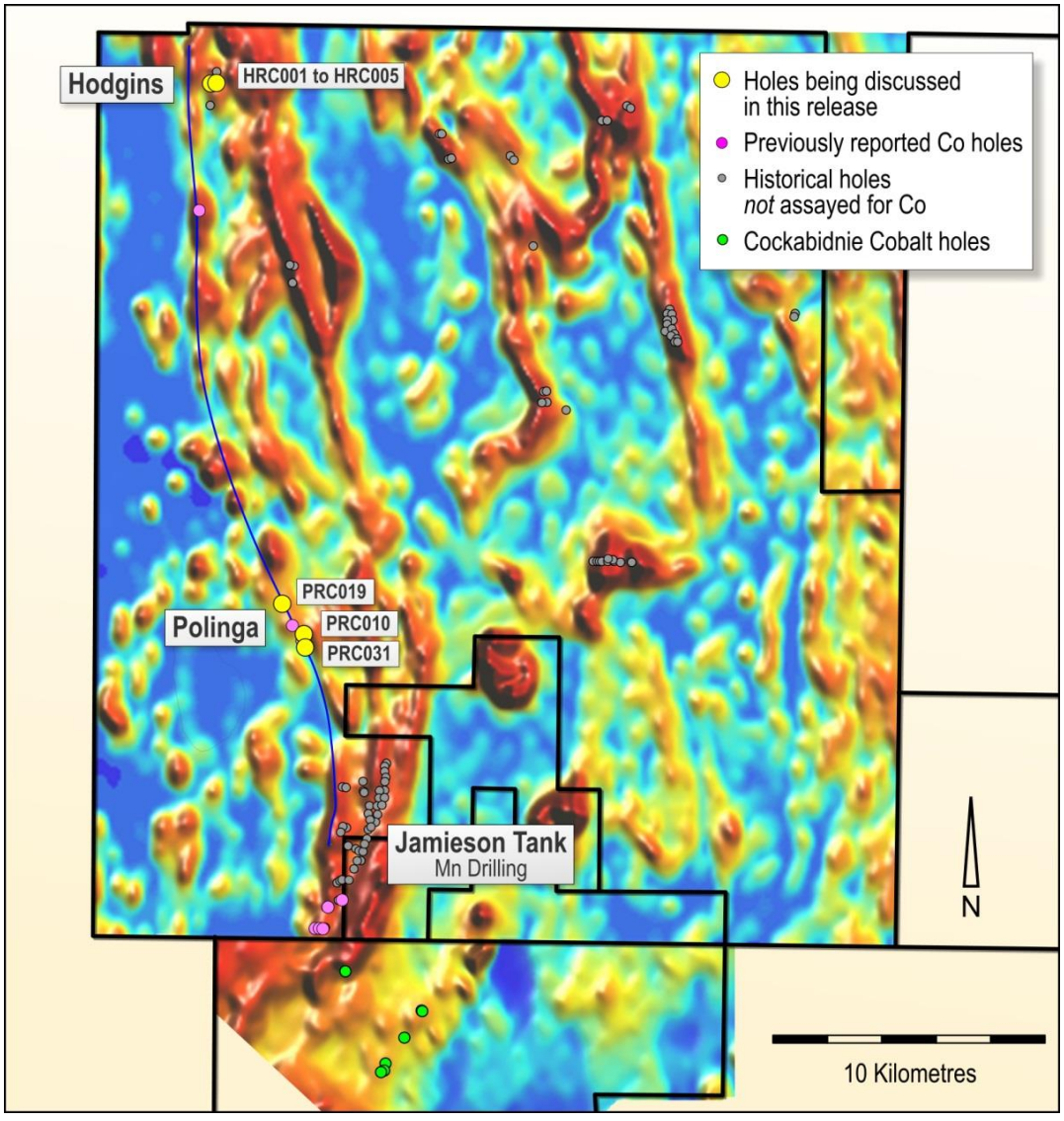

Figure 2: Location of Polinga drill holes shown on electromagnetic (EM) image

The final holes re-assayed for cobalt from Polinga and Hodgins (refer to table 1 below) were selected to allow Archer to determine the northern extent of Polinga at Hodgins and to better understand the structures controlling mineralisation at Polinga. Whilst it appears that Polinga does not extend north all the way to Hodgins (5km to the north), the Polinga structure still extends for over 20km and is open to the south and is still open some distance to the north.

Shareholder meetings

Archer has achieved a significant amount in the past few months and has some exciting opportunities ahead and will be holding a series of shareholder meetings to provide Archer shareholders with an update of the company's activities.

All Archer shareholders to attend presentations to be held in Adelaide, Sydney and Melbourne in March / April. This is an opportunity for shareholders to meet with management and learn more about the Company, its projects and recent developments.

Shareholders and investors are invited to attend the following events:

Location	Date / Time	Venue
Melbourne	Thursday, 30 March 2017 (10:00 – 11:00am)	Offices of Grant Thornton The Rialto, Level 30, 525 Collins Street Melbourne, VIC, 3000
Sydney	Tuesday, 4 April 2017 (10:00 – 11:00am)	Offices of Grant Thornton Level 17, 383 Kent Street Sydney, NSW, 2000
Adelaide	Wednesday, 12 April 2017 (10:00 – 11:00am)	Offices of Archer Exploration Level 1, 28 Greenhill Road Wayville SA 5034

Shareholders can register for the events by either:

Online: visit www.archerexploration.com.au

Email: eventrsvp@archerexploration.com.au

Telephone: (08) 8272 3288

For further information please contact:

Mr Greg English
Executive Chairman
Archer Exploration Limited
Tel: (08) 8272 3288

Mr Cary Helenius
Investor Relations
Market Eye
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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

Summary of drill hole information

The following table provides information on RC drilling results reported elsewhere in this announcement. The drilling was undertaken by Monax Mining prior to March 2012.

Hole ID	Easting	Northing	RL (m)	Final Depth (m)	Dip (°)	Azimuth (°)
HRC001	617702	6323805	207	60	-60	270
HRC002	617722	6323802	208	60	-60	270
HRC003	617671	6323800	205	55	-60	270
HRC004	617649	6323800	204	45	-60	270
HRC005	617659	6323801	224	55	-60	90
PRC010	620971	6303713	225	60	-60	90
PRC019	620176	6304800	238	66	-60	270
PRC031	621005	6303300	216	81	-60	270

Summary of drilling results

The following table provides the significant intersections from RC drilling done by Monax Mining prior to March 2012. The following table reports all intervals re-assayed for Cobalt by Archer Exploration Ltd

Significant assays listed within the announcement to which this table is attached are summaries of the data below.

Hole_ID	From (m)	To (m)	Interval (m)	Co (ppm)	Mn (%)
HRC001	0	5	5	Not Assayed	
HRC001	5	7	2	45	2.52
HRC001	7	9	2	79	10.6
HRC001	9	11	2	67	11.5
HRC001	11	13	2	75	12.8
HRC001	13	15	2	76	10.7
HRC001	15	17	2	67	15.4

Hole_ID	From (m)	To (m)	Interval (m)	Co (ppm)	Mn (%)
HRC001	17	21	4	42	4.84
HRC001	21	25	4	20	0.55
HRC001	25	27	2	23	4.87
HRC001	27	29	2	31	5.19
HRC001	29	32	3	6	2.59
HRC001	32	34	2	33	16.4
HRC001	34	36	2	100	14
HRC001	36	38	2	90	13.6
HRC001	38	40	2	63	18.7
HRC001	40	42	2	139	17
HRC001	42	44	2	126	18.4
HRC001	44	46	2	124	19.4
HRC001	46	50	4	188	3.77
HRC001	50	60	4	Not Assayed	
HRC002	0	9	9	Not Assayed	
HRC002	9	11	2	69	5.27
HRC002	11	13	2	33	4.65
HRC002	13	60	47	Not Assayed	
HRC003	0	5	5	Not Assayed	
HRC003	5	7	2	126	9.96
HRC003	7	8	1	115	4.03
HRC003	8	9	1	109	8.61
HRC003	9	11	2	187	14
HRC003	11	13	2	365	18.4
HRC003	13	15	2	**564**	23.4
HRC003	15	17	2	254	32.7
HRC003	17	19	2	183	20.7
HRC003	19	20	1	155	15.7
HRC003	20	55	35	Not Assayed	
HRC004	0	1	1	Not Assayed	
HRC004	1	4	3	80	2.41
HRC004	4	6	2	215	19.4
HRC004	6	8	2		1.62
HRC004	8	10	2		0.54
HRC004	13	17	4		0.22
HRC004	17	45	28	Not Assayed	
HRC005	0	4	4	Not Assayed	

Hole_ID	From (m)	To (m)	Interval (m)	Co (ppm)	Mn (%)
HRC005	4	6	2	268	19.8
HRC005	6	8	2	276	24.5
HRC005	8	10	2	396	18.5
HRC005	10	12	2	425	12
HRC005	12	14	2	264	12.7
HRC005	14	16	2	291	16.3
HRC005	16	18	2	175	18.8
HRC005	18	20	2	165	26.8
HRC005	20	22	2	163	5.94
HRC005	22	24	2	199	21.5
HRC005	24	26	2	237	26.9
HRC005	26	28	2	154	24.7
HRC005	28	30	2	213	20
HRC005	30	32	2	221	20.5
HRC005	32	34	2	239	20.6
HRC005	34	36	2	230	27.1
HRC005	36	38	2	234	32.5
HRC005	38	42	4	217	20.3
HRC005	42	46	4	198	10.5
HRC005	46	50	4	312	21.8
HRC005	50	54	4	484	29.9
HRC005	54	55	1	Not Assayed	
PRC010	0	42	42	Not Assayed	
PRC010	42	46	4	52	4.23
PRC010	46	50	4	69	8.16
PRC010	50	54	4	72	14.2
PRC010	54	58	4	54	11.5
PRC010	58	60	2	33	9.66
PRC019	0	54	54	Not Assayed	
PRC019	54	56	2	200	8.54
PRC019	56	58	2	129	6.5
PRC019	58	66	8	Not Assayed	
PRC031	0	59	59	Not Assayed	
PRC031	59	60	1	118	2.62
PRC031	60	61	1	79	5.92
PRC031	61	62	1	158	4.22
PRC031	62	63	1	159	4.11

Hole_ID	From (m)	To (m)	Interval (m)	Co (ppm)	Mn (%)
PRC031	63	64	1	230	3.44
PRC031	64	65	1	208	4.3
PRC031	65	66	1	185	3.93
PRC031	66	67	1	189	3
PRC031	67	68	1	244	2.68
PRC031	68	69	1	189	2.31
PRC031	69	70	1	242	2.32
PRC031	70	71	1	149	2.7
PRC031	71	72	1	112	3.08
PRC031	72	73	1	116	3.23
PRC031	73	74	1	208	3.08
PRC031	74	75	1	332	4.04
PRC031	75	76	1	248	4.27
PRC031	76	77	1	173	4.66
PRC031	77	78	1	186	4.92
PRC031	78	79	1	197	5.09
PRC031	79	80	1	161	5.33
PRC031	80	81	1	140	5.04

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.	• The samples as reported were generated from a mixture of Rotary Air Blast, Aircore and Reverse Cycle drilling by the previous tenement owner. • All samples were sent ALS laboratory in Adelaide for preparation and forwarded to Peth for multi-element analyses. • All assay intervals submitted for Cobalt analyses are being reported. • All samples are crushed using LM2 mill to –4 mm and pulverised to nominal 80% passing –75 µm.
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.).	• All material being reported comes from historical data generated by the tenements previous owner, all holes were a mixture of Rotary Air Blast, Aircore and Reverse Cycle

Criteria	JORC Code Explanation	Commentary
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.	• Archer cannot comment on the recovery of sample and its relationship (if any) to grade, it does believe that the exploration undertaken at the time would have been to industry standard and if bias was noticed then comment would have appeared in digital logs.
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 detailed lithological logging was performed on the material being sampled • Spot samples had brief descriptions of lithological type noted for future referencing.
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.	• The sample is indicative of the intervals geochemistry potential • All sample material was dry. • No additional quality control measures were taken for the sample submission. • The sample sizes are considered appropriate for the material being sampled.

Criteria	JORC Code Explanation	Commentary
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.	• Only laboratory standards were used in the assessment of the analyses. • The technique is considered a total analyses. • Analyses was by ALS Perth using a methodology that is not reported.
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 sampling, no use of twinned holes. • Data is exploratory in nature and exists as excel spread sheets. • No data adjustment.
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.	• MGA94 Zone 53 grid coordinate system is used. • A hand-held GPS was used to identify the sample location
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.	• There is no pattern to the sampling, the spacing is random • Data spacing and distribution are sufficient to establish the degree of geological and grade continuity for future drill planning, but not for resource reporting. • Sample compositing has occurred at the time for the sample being taken, i.e. there are composited intervals being reported.

Criteria	JORC Code Explanation	Commentary
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.	• It is unknown whether the drill holes have interested the mineralisation in a perpendicular manner. .
Sample Security	• The measures taken to ensure sample security.	• It is assumed that best practices were undertaken at the time
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	• 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	• 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 work being reported is from EL 5815 (owned by Pirie Resources Pty Ltd, a subsidiary of AXE). The tenement is in good standing with no known impediments. Results are from drill samples generated and stored bythe previous owner, when it was drilled under its former EL number (EL 4693)
Exploration Done by Other Parties	• Acknowledgment and appraisal of exploration by other parties.	• Monax Mining was the former owner of the ground now covered by EL 5815, it has been historically explored CRA in 1980's and later by WMC, 1990's. The results being reported are from drilling first reported by MOX on the 19th September 2008 as a part of base metals exploration.
Geology	• Deposit type, geological setting and style of mineralisation.	• Due to the insufficient data, it is not entirely possible to comment on the style of mineralisation, initial indications it is related to Mn. However, without a suite of multi-element chemistry it is not possible to state that there are other elemental associations. • The orientation of the mineralisation is unknown.

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.	• All details are presented at the end of the release before this table.
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 high-grade cuts were necessary. • No equivalents were used.
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').	• All drill intervals are down hole length, the true width is not known.

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.	• 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.
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.	• No other exploration data to report.
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.	• Additional work is required to test the Co and Mn potential of the structure, as these holes being reported were not drilled to target this style of mineralisation.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• Not Applicable