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ASX Announcement (ASX:**AXE**) 28 November 2017

Infill sampling at Blue Hills confirms continuity of copper mineralisation

Highlights

- Infill soil sampling results from the Blue Hills copper discovery continue to highlight significant potential for a large mineralised system.
- The 50m x 50m infill sampling program is providing the first close-spaced data required to assess continuity and geometry of known copper mineralisation.
- Latest results are consistent with earlier wider spaced (100m x 100m) soil sampling results.
- The new results identify the presence of two large parallel copper-mineralised corridors which cross cut local stratigraphy incorporating three distinct anomalies; Hood, Katniss and Hawkeye
- The 4.6km long Hood anomaly remains open under cover along strike to the south east.
- The 1.1km long Katniss anomaly and nearby 1.1km long Hawkeye anomaly form part of a 4km long mineralised corridor that remains open along strike under cover to the south east.
- Follow up geophysics is planned which has the potential to extend the current known mineralisation.

Archer Exploration Ltd (ASX:AXE, Archer, Company) is pleased to announce the discovery of further significant copper in soils from ongoing infill soil sampling at the Company's 100%-owned Blue Hills Copper Project, located approximately 40km southeast of the town of Peterborough, South Australia.

The infill soil sampling at the Blue Hills discovery is part of an ongoing program to assess the geometry, grade characteristics and extent of the copper mineralisation. The current sampling has effectively reduced the soil sample point spacing at the key target areas to 50m x 50m (from 100m x 100m or wider).

The infill soil sampling (50m x 50m spacing), which follows up the previous wider-spaced sampling, provides the first close-spaced data required to assess continuity and geometry of the copper mineralisation at Blue Hills.

The high grade results continue to reinforce the copper potential at Blue Hills, indicating good continuity. New copper mineralisation discovered to the south east suggests further continuity along strike and under cover (Figure 1).

Archer's Executive Chairman, Greg English, said "These latest results are very encouraging. We have now sampled over an area of 40km^2 and the quality and size dimension of the results continue to be consistent with the early stages of a large, greenfields copper discovery."

"The higher sampling density is providing us with a clearer indication of the extent of mineralisation at Blue Hills. The results we are seeing upgrade the largely untested potential in the greater than 4km long Hood copper discovery, as well as the copper potential over a large parallel mineralised corridor at the nearby Katniss and Hawkeye anomalies" said Mr English.

"We are also starting to see the copper mineralisation cross-cutting several geological features in the area which is consistent with our intrusive style model of Blue Hills mineralisation."

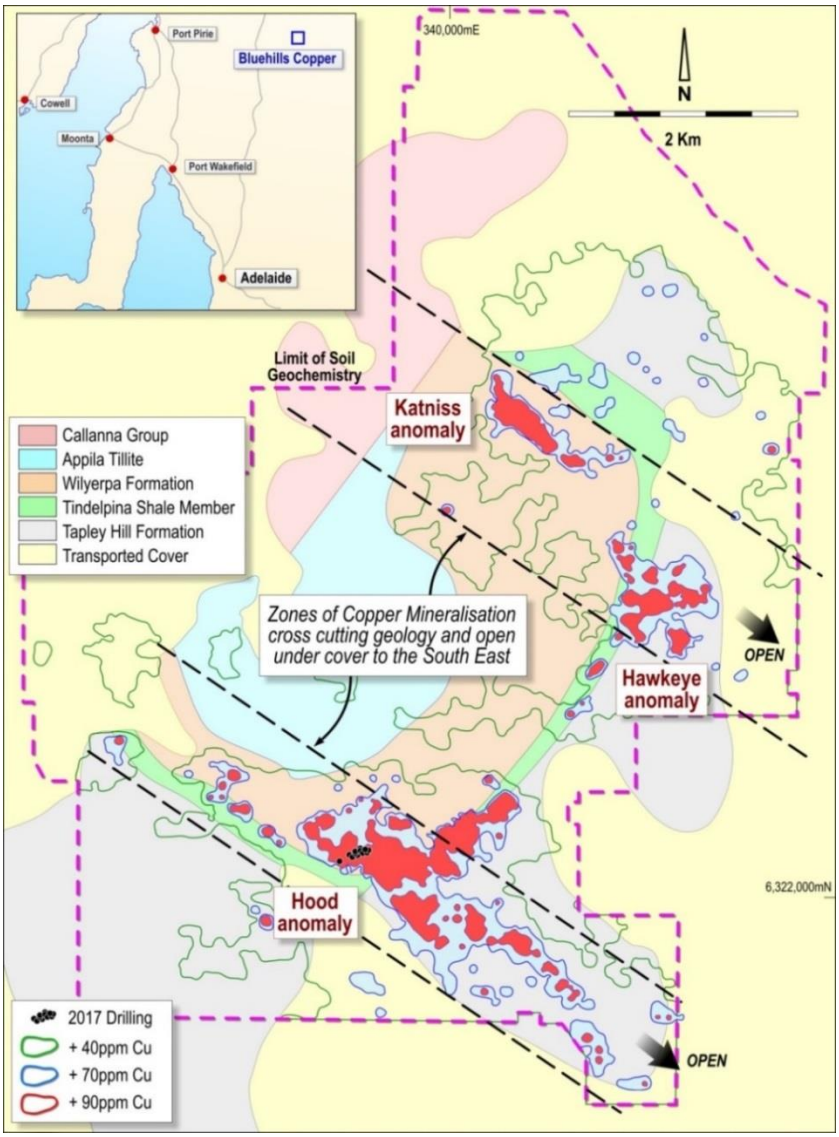

Figure 1: Blue Hills location map showing copper mineralisation and areal extent of Blue Hills magnetic anomaly.

Exploration results

Over 4,700 samples were collected over a 40km^2 area encompassing the three large copper anomalies (Hood, Hawkeye and Katniss)

The new results confirm that these three anomalies are situated on two large, parallel copper mineralised corridors that cross cut the geographical area (Figure 2). The higher grade copper mineralisation appears to cross several geological formations rather than being constrained to one formation. The Hood anomaly features in one corridor whereas the Katniss and Hawkeye anomalies are in the other. These NW – SE mineralised corridors represent a large target area for future copper exploration.

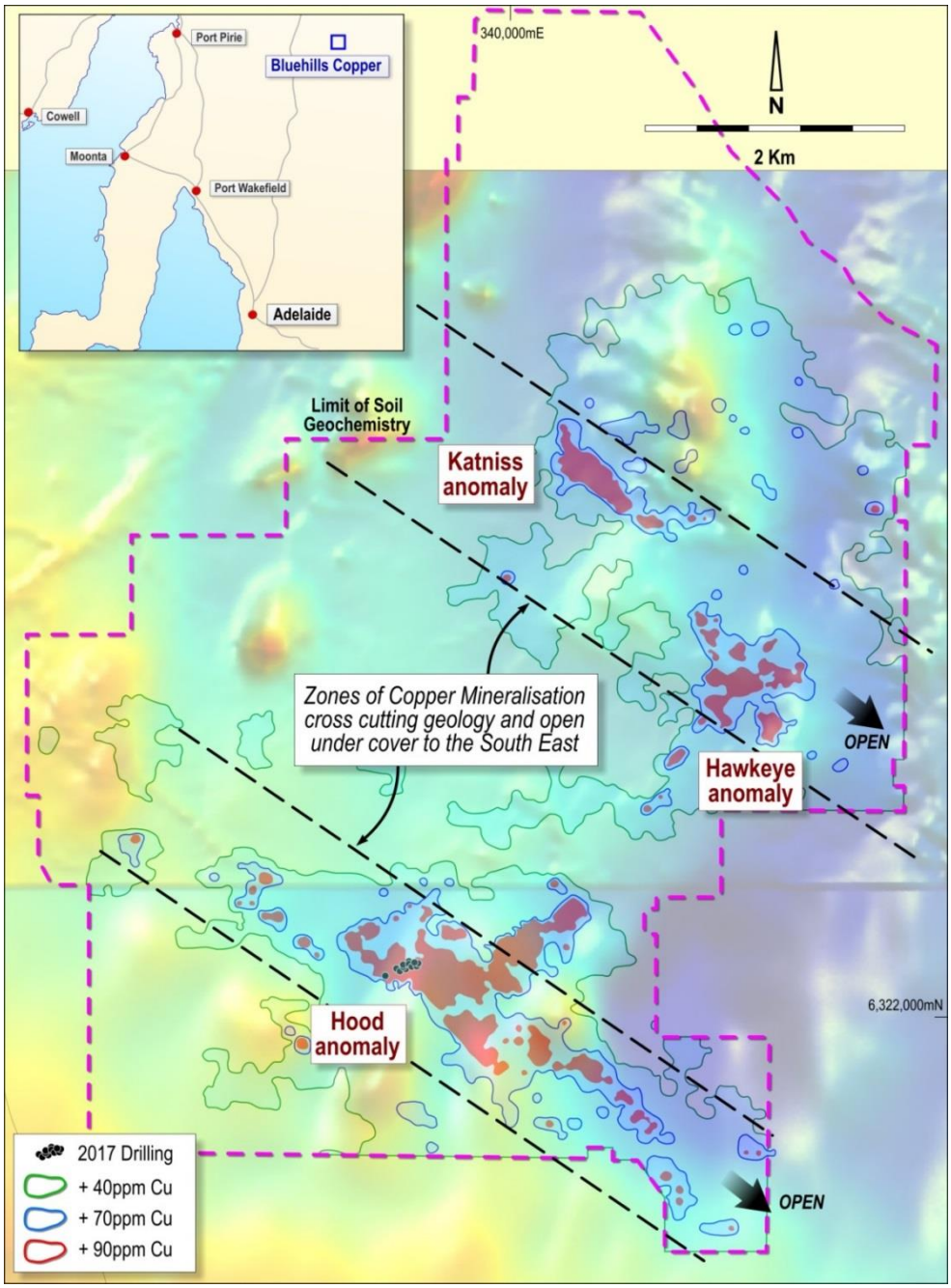

Figure 2: Blue Hills copper mineralisation contours overlain on magnetic image.

The copper anomalies are hosted in Neo Protereozoic siltstone rocks of the Wilyerpa Formation as well as dolomitic rocks of the Tindelpina Shale and the Tapley Hill Formation. The copper in soil anomalies cross-cut the local stratigraphy (Figure 1) which suggests the potential for bedrock copper mineralisation.

The larger Hood soil anomaly appears parallel to the Hawkeye - Katniss soil anomalies and the fact that these anomalies cross different geological units suggests that they are associated late parallel cross-cutting features.

The latest results support the Company's model that cross-cutting structures provide pathways for the mineralised fluids from the larger 25km^2 intrusive body. The soil anomalies at Hood and Hawkeye are open to the south east within Archer's tenement area. Archer plans to extend the area of the soil survey to determine the full extent of the anomalous area, with a view to refining a target for additional drill testing.

Next Steps

The two zones of mineralisation that have been identified allow for the planning and execution of an electro-magnetic survey over the anomalies to determine the presence of conductive bodies at depth. This data will then be processed and combined with the existing drill and soil sampling data, to identify future drill targets.

It is intended that this work will be undertaken in the first quarter of the 2018 calendar year.

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.

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.	• Soil samples taken on a regularised grid of 100m by 100m (nominally) with infill samples at a spacing of 50m by 50m. • Sampling was guided by Archer's protocols as the program was exploratory in nature. No standards were submitted by the company during analyses. • A Niton XL3t-500 portable XRF was used to analyse a sieved fraction of soil regolith. • The soil sample was taken from the B horizon and sieved to –1.6mm and placed into a sample bag ready for assaying with the PXRF. A field duplicate was taken every 50th sample and marked with an "a". A range of standards were used during the analyses, with a standard being read as every 40th assay a duplicate reading was also made every 40th sample as well.
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.).	Drilling is not being reported in this release
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.	Drilling is not being reported in this release.

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.	• Samples were described for geological purposes • Drilling is not being reported in this release.
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.	• Drilling is not being reported in this release. • For all samples taken, all surficial organic material was removed from the site where the sample was to be taken, this involves the removal of 2 to 10cm of surface material in places. • A sample of material (200gm) was then taken from the location (10 to 20cm deep) and sieved so that only material of -1.6mm was retained. • This was placed inside a pre-numbered bag for assay with the XRF. • A duplicate sample is taken every 50th location and labelled as “a”.
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.	• Certified standards were not used in the assessment of the analyses. • Analyses was by a Niton XL3t-500 portable XRF • Standards, blanks and duplicates were used during the analyses by the XRF’s. • Certified Reference Material (CRM’s) were used during the analyses, a frequency of 1 on 40 for CRM’s occurred.

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 sampling. • 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 54 grid coordinate system is used. • A hand-held GPS was used to identify the sample location • Quality and adequacy is appropriate for this level of exploration
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.	Drilling is not being reported in this release.
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.	Drilling is not being reported in this release.
Sample Security	• The measures taken to ensure sample security.	• It is assumed that best practices were undertaken at the time • All residual sample material (pulps) are stored securely and will be disposed of.
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	None undertaken.

Section 2 Reporting of Exploration Results

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 5794 & EL 6000 (owned by SA Exploration Pty Ltd, a subsidiary of AXE). • The tenement is in good standing with no known impediments.
Exploration Done by Other Parties	• Acknowledgment and appraisal of exploration by other parties.	Work was undertaken for diamond exploration in the past, the detailed magnetic data is a result of the exploration of kimberlites for diamonds.
Geology	• Deposit type, geological setting and style of mineralisation.	• The mineralisation style indicates that it was emplaced by fluids within the host rocks. • The use of electro-magnetics will determine the presence of conductive bodies at depth leading support to the model • The strike of 2 zones of mineralisation appear to be SE-NW and is open (in places), the model is still evolving.
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.	Drilling is not being reported in this release.

Criteria	JORC Code Explanation	Commentary
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.	Drilling is not being reported in this release.
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').	Drilling is not being reported in this release.
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.	• Drilling is not being reported in this release. • Extent of soils sampling is demonstrated by the boundary shown on the images within the release.
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. • No drilling is being reported, • Soil sampling results are presented as contour images, in line with the exploratory nature of the work.
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.	Nothing to report at this stage

Criteria	JORC Code Explanation	Commentary
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.	• Further sampling under the cover will enable the Hood anomaly to be closed off. • Electro-magnetics will be required to vector areas of greater conductivity and higher mineralisation potential. • Figures in the body of this report highlight the gaps in the data.