ASX Announcement (ASX:**AXE**) 10 July 2017

Sampling extends Blue Hills copper footprint

Highlights

- Rock chip sampling indicates extensions to the Blue Hills copper zone of mineralisation.
- Extensive strike length confirmed.
- High grade gold (up to 8.1 g/t) associated with copper.

Archer Exploration Ltd (ASX:AXE, Archer, Company) is pleased to report results from recent rock chip sampling at the Company's 100% owned Blue Hills Copper Project, located approximately 40km southeast of Peterborough, South Australia.

A total of 30 rock chip samples were collected, in association with the recently completed drilling program at Blue Hills. The purpose of the rock chip sampling was to extend the footprint of the Blue Hills copper mineralisation and assist in the identification of future drill targets.

The best results along strike from Blue Hills include (refer to Figure 1 below):

- 9.27% and 5.61% copper.
- 2.4% copper and 8.1 g/t gold.

Some regional samples were also collected as part of a larger program designed to test rocks associated with a larger geophysical structure in the area. Some of the better results from these regional rock chip samples include copper up to 0.6% and gold up to 0.3g/t.

The assay results for all rock chip samples collected are shown in Annexure A.

Greg English, Executive Chairman, commented, "It is encouraging to see high grade copper and gold surface rock chips along strike from the drilling at Blue Hills. The presence of copper mineralisation coincident with a magnetic anomaly suggests that Blue Hills has the potential to be a significant copper discovery."

"The presence of high grade gold associated with the copper is also exciting as gold has not previously discovered or reported in this area" said Mr English.

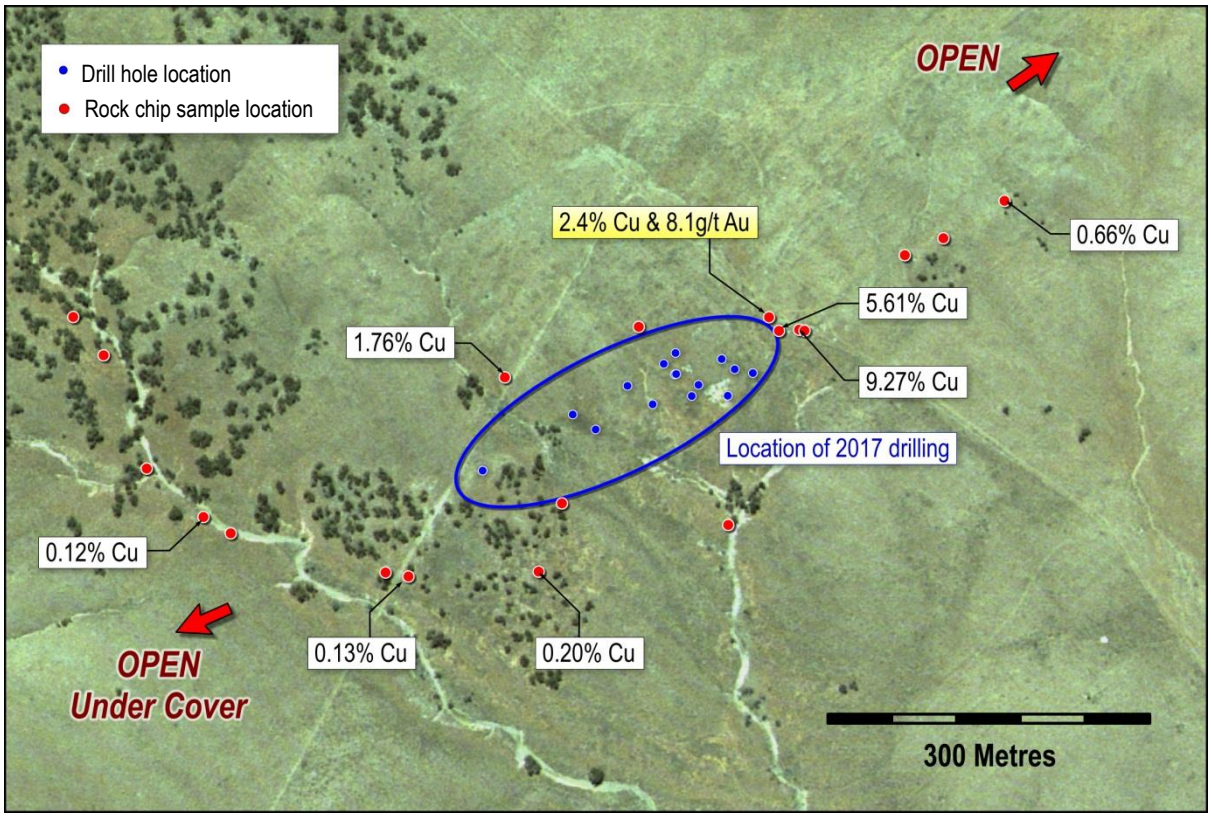

Figure 1: Blue Hills copper project showing location of some rock chips reported in this announcement (red dots) and location of drill collars from recent RC drilling by Archer (blue dots).

The samples were taken along the outcrop where mineralisation was indicated by ironstone or gossan material. The feature of these results is they show that the copper mineralisation is continuous on the structures and has grades that encourage future exploration.

The copper mineralisation appears to be related to sulphides and the weathering of sulphides, with many rocks on the surface exhibiting box works of mineralisation around cores of malachite impregnated rocks and in places barren unaltered rocks.

The sample taken that reported 8.1 g/t gold, only became visible after the track mounted drill rig disturbed the material as it turned off the site. The material was obscured by a veneer of soil and carbonate that had developed as a skin over the mineralisation. This means that mineralisation is not easily seen at the surface and exploration will require detailed mapping and sampling.

Blue Hills is considered by Archer to have potential to be a new copper discovery and has strong indications of a deep-seated intrusion influencing the copper and gold mineralisation. Structural elements controlling the mineralisation have not yet been investigated. The area is considered highly prospective for further discoveries.

Plate 1. Rocks showing weathered sulphide veining and copper staining.

Current Exploration program

Following on from the successful outcrop rock chip sampling and first pass drilling results, a detailed rock chip and soils survey is planned in conjunction with a regional magnetics and gravity program.

Archer's existing drill results and the new sampling results will be combined with historical and new geophysical data analysis to assist in planning the next drill program.

The areas of outcropping mineralisation with good geochemical and geophysical responses will be the primary targets along with the zone of significant grade identified by the first pass drilling at Blue Hills.

For further information, please contact:

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

Mr Cary Helenius
Investor Relations
Market Eye
Tel: 03 9591 8906

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.	• Random rock chip samples, some with obvious copper mineralisation. • Sampling was guided by Archer's protocols as the program was exploratory in nature. No standards were submitted by the company during analyses. • All samples were sent to ALS laboratory in Adelaide for preparation and forwarded to Peth for multi-element analyses. • 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.).	• Drilling is not being reported in this release

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.	• Drilling is not being reported in this release.
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.

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.	• Certified standards were not used in the assessment of the analyses. • Analyses was by ALS Perth using their ME-MS61 technique for multi-elements. • Gold was determined using the method Au_AA26. • The laboratory uses their own certified standards during analyses.
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 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.

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.	• 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.
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 5794 (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.	• No exploration has been undertaken by any other parties
Geology	• Deposit type, geological setting and style of mineralisation.	• The mineralisation style indicates that it was emplaced by fluids (e.g. an intrusive source). • The strike appears to be NNE and is open.
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.
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.	• 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 drilling is required along strike as well as testing for mineralisation under cover. • 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.

Annexure A

Summary of rock chip results

The following table provides the location and a summary of chemistry for rock chip samples, all data is in Zone 54. The following table reports intervals submitted for multi-element assay and being discussed in this release. Assays presented here are considered relevant to the release but do not include the entire suite of elements assayed for, elements that are not reported are not considered economic (e.g. Mg, Cr, etc.)

Easting	Northing	RL	Au (ppm)	Al %	As (ppm)	Cu %	Fe %	K %
339938	6322441	276	0.017	1.17	186.5	**9.27**	8.09	0.14
339938	6322441	276	0.004	3.69	77	**1.30**	7.93	1.2
339938	6322441	276	0.009	3.04	75.2	**1.18**	9.21	0.82
339574	6322213	276	0.026	3.01	408	**0.13**	45.7	0.62
339696	6322217	275	**0.151**	1.73	452	**0.20**	45.1	0.5
339717	6322280	277	0.002	0.18	8.3	0.005	60.6	0.03
339717	6322280	277	0.001	0.19	12.2	0.02	49	0.03
339919	6322440	279	0.003	6.04	23.6	**5.61**	4.17	1.6
339942	6322440	279	0.049	6.62	103	**4.14**	3.51	2.4
339942	6322440	279	0.009	6.48	11.8	**0.95**	4.82	2.38
339789	6322444	288	NA	0.3	5.9	0.02	64.2	0.08
339873	6322260	274	NA	7.37	41.9	0.02	7.18	3.02
340072	6322525	279	0.01	0.23	72.1	0.07	4.96	0.09
340072	6322525	279	<0.01	0.12	27.9	0.01	2.76	0.05
339554	6322215	275	0.02	3.42	**218**	**0.07**	36.5	1.24
339409	6322253	275	NA	13.1	**32.3**	**0.02**	4.67	0.61
339385	6322266	277	0.01	3.55	**135**	**0.12**	9.69	1.92
339385	6322266	277	<0.01	3.95	**77.4**	**0.11**	8.09	2.27
339332	6322312	276	NA	0.31	17.6	0.05	13.1	0.05
339292	6322416	280	**0.32**	0.2	21	0.06	14.8	0.04
339263	6322452	281	NA	0.07	20	0.03	13.9	0.03
339665	6322397	282	<0.01	6.38	3.7	**1.76**	4.01	1.19
340037	6322510	282	<0.01	1.09	20.8	0.05	30.4	0.34
340130	6322560	279	0.03	2.22	232	**0.66**	38.6	0.67
339190	6322860	323	0.07	0.1	9.3	0.003	36.9	0.03
339131	6322824	323	<0.01	2.16	10.4	0.02	9.26	0.53
338971	6322777	301	0.01	3.77	8	0.01	20	0.08
339091	6322702	293	**0.11**	0.11	5.4	0.01	3.19	0.03
339910	6322453	278	**4.71**	7.26	17.8	**1.21**	3.14	2.89
339910	6322453	278	**8.1**	6.79	39.3	**2.40**	4.44	2.66

***** NA-Indicated that this element was not assayed