

ASX Announcement (ASX:AXE)

9 October 2018

Archer to drill Blue Hills Copper-Gold Project after termination of Share Sale Agreements

Highlights

- Termination of Share Sale Agreements with Ballista Resources Limited and subsequent cessation of non-graphite assets spin-out via IPO.
 - Archer to identify alternatives to monetise non-graphite assets, and in the interim, will drill large, district-scale gold and copper in soils targets at Blue Hills commencing next month with first results expected early December 2018.
 - Archer to continue focus on executing Advanced Materials and Technology strategy.
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Archer Exploration Limited (“Archer”, the “Company”) (ASX:AXE) announces that the conditional Share Sale Agreements with Ballista Resources Ltd for the sale of the Company’s non-graphite assets to Ballista and subsequent ASX listing of Ballista, have been terminated by Archer. The conditional Share Sale Agreements allowed either party to terminate if the ASX listing of Ballista was not achieved by 30 September 2018 or such other date agreed by Archer and Ballista.

Under the terms of the Share Sale Agreements, Ballista was to have listed on the ASX by 30 September 2018. Archer has been in discussions with Ballista to extend this date. However, Ballista has notified Archer that the Ballista IPO will not take place this year. As a result, Archer has elected to terminate the Share Sale Agreements.

The Chairman of Archer, Greg English said “While the Directors are disappointed at this outcome, the Board remains confident in the potential of the non-graphite assets and we intend to commence drilling at the Blue Hills Copper Gold project in November”.

“We announced the transaction with Ballista in July 2018, and since that time have not explored the tenements, despite the tremendous potential of the tenements and their prospects for copper, cobalt, gold and manganese”.

“We are committed to growing our Advanced Materials and Technology business and will look for alternatives to monetise the non-graphite assets” said Mr English.

About Blue Hills Copper-Gold Project

Blue Hills is a large Copper-Gold project located approximately 240km north of Adelaide, South Australia. At Blue Hills Archer has discovered three large scale gold and copper in soil anomalies (Hood, Hawkeye and Katniss). The large scale of these anomalies is shown in Figure 1, which compares their size to the size of the Melbourne CBD. The Company intends to drill at least one of these targets in November 2018 with results expected in early December 2018.

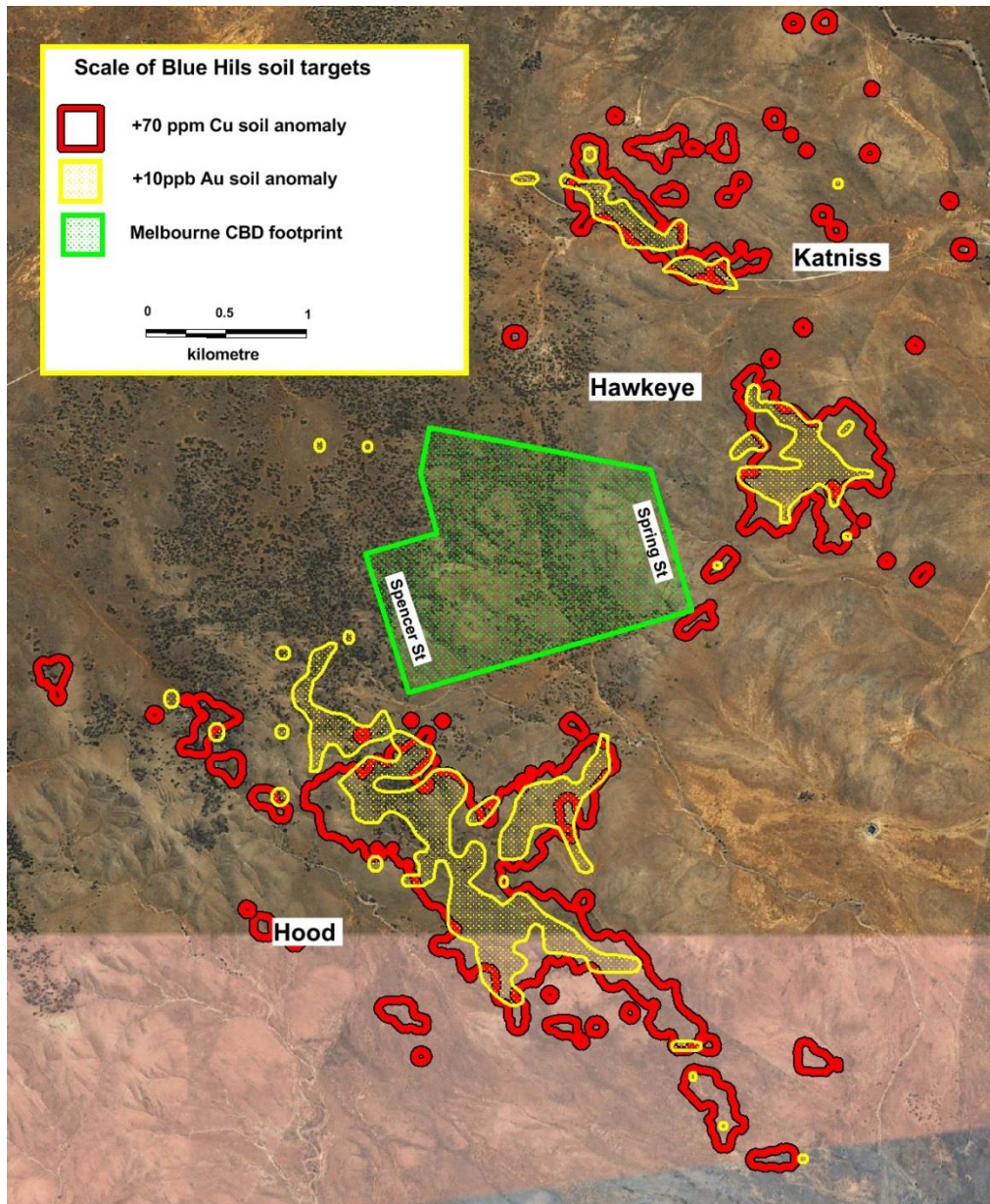


Figure 1. Blue Hills gold and copper in soil anomaly. The area representing the Melbourne CBD is overlaid for size comparison, with the respective bounds of the CBD's Spencer Street and Spring Street shown.

About Archer Exploration

Archer provides shareholders exposure to innovative technologies and the advanced materials that underpin them. The Company has a focused strategy targeting globally relevant advanced materials markets of human health, reliable energy, and quantum technology. Archer is well positioned to execute on its strategy.

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Shareholders

For more information about Archer's activities, please visit our:

Website

<https://archerx.com.au/>

Twitter

<https://twitter.com/archerxau?lang=en>

Competent Person Statement

The information in this announcements 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.