

ASX Announcement (ASX:AXE)

5 November 2019

## Archer Share Purchase Plan to raise up to \$3 million

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Archer Materials Limited ("Archer", "Company") is pleased to offer Shareholders an opportunity to participate in a Share Purchase Plan ("SPP", "Plan") to raise up to \$3 million.

The SPP entitles Eligible Shareholders to purchase up to \$30,000 of new fully paid ordinary shares in the Company at an issue price of \$0.13 (13 cents) per new Share and free of all brokerage and commissions.

### Rationale and use of proceeds

At the Archer 2019 AGM and earlier shareholder meetings in Adelaide and Melbourne, the Company provided an update on its progress in the building of an industry-leading Materials Technology company which comprises two business functions: Advanced Materials and Mineral Exploration.

The Advanced Materials business is underpinned by three pillars: Quantum Technology, Human Health and Reliable Energy. The Company's main focus is on the development of a room temperature quantum computer chip as part of the Company's <sup>12</sup>CQ Project.

<sup>12</sup>CQ aims to develop a room-temperature operation qubit processor chip that may overcome both the limitations of sub-zero operating temperatures and electronic device integration for qubits, which are two challenges that currently stand in the way of widespread ownership of quantum computing powered devices. In addition to the quantum computer chip (Quantum Technology), the Advanced Materials Business is also developing a graphene ink based biosensor (Human Health) and uses for Campoon graphite in lithium ion batteries (Reliable Energy).

The Mineral Exploration business is exploring the Company's kaolin and nickel projects in South Australia and Western Australia respectively. The Company has identified an outcropping large kaolin project that is close to infrastructure near Kimba, South Australia. The nickel project is located near existing nickel projects and prospects, including the Mt Keith Nickel Mine.

In August 2018, the Company sold the Leigh Creek Magnesite Project for \$2.0 million. The Company has so far received \$250,000 with the remaining \$1.75 million due as early as January 2020 or as late as July 2020 depending whether or not the purchaser elects to extend the settlement date.

The Company has decided to raise funds under the SPP given the uncertainty around the timing of the receipt of the proceeds from the sale of the Leigh Creek Magnesite Project. Funds raised under the SPP will be primarily used in:

- Continued development of the room temperature quantum computer chip and the broader <sup>12</sup>CQ Project.
- Further development of the graphene ink biosensor.

- Further testing of the Campoonna graphite and the finalise of the application for the Campoonna Shaft Program for Environmental Protection and Rehabilitation (PEPR).
- Exploration of the South Australian kaolin and halloysite projects and the Company's West Australian Mt Keith Nickel Project.

### Share Purchase Plan

The SPP is only available to Australian and New Zealand shareholders who were registered as Archer shareholders at 7:00pm (AEDT) on Monday, 4 November 2019 ("Eligible Shareholders").

The SPP issue price of \$0.13 (13 cents) per new Share represents a discount of:

- 10.3% to the closing price of Shares on 4 November 2019, which was the last trading day prior to the date of the announcement of the SPP; and
- 4.5% to the volume weighted average price of Shares over the last 5 days on which sales of Shares were recorded by ASX Limited prior to the date of the announcement of the SPP on 5 November 2019.

Participation in the SPP is entirely voluntary.

The SPP is seeking to raise \$3,000,000 and is not underwritten. Should the Company receive valid applications for more than \$3.0 million then the Company may elect to either scale back applications or increase the amount to be raised under the SPP. Any excess monies received will be returned to those to applicants without interest.

Full details of the Offer will be contained in a booklet which is anticipated to be dispatched to Eligible Shareholders on Tuesday, 12 November 2019.

### Key Dates \*

The proposed timetable for the SPP is set out below. The Directors reserve the right to vary the dates and times without notice.

| Event                                             | Date                      |
|---------------------------------------------------|---------------------------|
| Record Date (7:00pm AEDT)                         | Monday, 4 November 2019   |
| Announcement Date of Plan                         | Tuesday, 5 November 2019  |
| Opening Date of Plan / Despatch of Offer document | Tuesday, 12 November 2019 |
| Closing Date of Plan (5:00pm AEDT)*               | Tuesday, 26 November 2019 |
| Allotment and Issue of New Shares under the Plan* | Tuesday, 3 December 2019  |

\* These dates are indicative only. The Company may vary the dates and times of the SPP by lodging a revised notice with ASX. Eligible Shareholders are encouraged to submit their applications early as the Directors reserve the right to close the SPP early if oversubscribed.

## About Archer

Archer provides shareholders exposure to financial returns from innovative technologies and the materials that underpin them. The Company's strategy is to build an industry-leading Materials Technology company, that delivers maximum value to shareholders through the commercialisation of assets at various stages of the materials lifecycle. Archer has strong intellectual property, broad-scope mineral tenements, world-class in-house expertise, a diverse advanced materials inventory, and access to over \$300 million of R&D infrastructure.

## For further information, please contact:

### General Enquiries

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Company Secretary

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

Website:

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

Twitter:

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

YouTube:

<https://bit.ly/2UKBBmG>

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