

ASX Announcement (ASX: **AXE**)

28 May 2020

Share Purchase Plan to accelerate work programs

Archer Materials Limited (“Archer”, “Company”, ASX: **AXE**) is pleased to offer Shareholders an opportunity to participate in a Share Purchase Plan (“SPP”, “Plan”) to raise up to \$3,000,000 at an issue price of \$0.60 (60 cents) per new Share. The funds raised from the SPP will be used to increase the pace of our current work programs and to start hiring additional staff to do this work.

At Archer, we are proud of our high level of engagement with shareholders and regularly update shareholders through online platforms and in-attendance events. We have also offered shareholders the opportunity to visit our offices and laboratories and will continue to find more ways to make shareholders feel part of the Company. As part of this strategy, we have decided to undertake a SPP rather than a broker sponsored placement as an SPP gives shareholders an opportunity to participate at a price discount normally reserved for sophisticated and professional investors.

In 2017 we completed an SPP at a share price of \$0.075 (7.5 cents) per share and then completed a subsequent SPP in 2019 at a share price of \$0.13 (13 cents) per share. The Archer closing share price on the last trading day prior to this announcement was \$0.685 (68.5 cents) per share.

We have achieved a lot in the past year, and we have continued this momentum into 2020 with the announcement of our agreement to join the IBM Q Network as an ecosystem partner (ASX announcement 5 May 2020), which put Archer on the global stage. The agreement with IBM is in support of our plans to use IBM's open source framework, Qiskit, as the software stack for our ¹²CQ qubit processor chip technology.

We have also had early success in mineral exploration, and in particular, the development of our Franklyn Halloysite-Kaolin Project, with pilot plant processing due to be completed next month.

The funds raised from the SPP will be used to meet company expenses associated with:

- Development of the ¹²CQ qubit processor chip technology, as well as active collaboration with IBM to use Qiskit as the software stack for our processors and participation in the global IBM Q Network as an ecosystem partner.
- Prosecution of the human health biosensor patents and the hiring of new staff to expedite the development of this technology.
- Completion of the Franklyn halloysite pilot plant test work and resource drill out upon successful trials of the halloysite product by potential customers.
- Identify and assess new technologies for inclusion in the Reliable Energy vertical.

There is so much to look forward to at Archer in the year ahead, from both our Advanced Materials and Mineral Exploration developments.

Share Purchase Plan

The SPP entitles Eligible Shareholders to purchase up to \$30,000 of new fully paid ordinary shares ("Shares") in the Company at an issue price of \$0.60 (60 cents) per new Share and free of all brokerage and commissions.

The SPP is only available to Australian and New Zealand shareholders who were registered as Archer shareholders at 7:00pm (AEST) on Wednesday, 27 May 2020 ("Eligible Shareholders").

The SPP issue price of \$0.60 (60 cents) per new Share represents a discount of:

- 12.4% to the closing price of Archer shares on 27 May 2020, which was the last trading day prior to the date of the announcement of the SPP;
- 26.4% to the 52 week high Archer share price of \$0.815 (81.5 cents) on 26 May 2020; and
- 9.1% to the volume weighted average price of Archer shares over the five trading days prior to the date of the announcement of the SPP on 28 May 2020.

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 \$3,000,000 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 with a hardcopy of the document expected to be dispatched to Eligible Shareholders on Wednesday, 3 June 2020.

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 AEST)	Wednesday, 27 May 2020
Announcement Date of Plan	Thursday, 28 May 2020
Opening Date of Plan	Monday, 1 June 2020
Despatch of hardcopy Offer document	Wednesday, 3 June 2020
Closing Date of Plan (5:00pm AEST)*	Monday, 22 June 2020
Allotment and Issue of New Shares under the Plan*	Tuesday, 30 June 2020

* 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

A materials technology company developing materials in quantum computing, biotechnology, and lithium-ion batteries, and exploring for minerals in Australia. The Company has strong intellectual property, broad-scope mineral tenements, world-class in-house expertise, a unique materials inventory, and access to over \$300 million of technology development infrastructure.

The Board of Archer authorised this announcement to be given to ASX.

General Enquiries

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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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