

ASX Announcement ([ASX: AXE](#))

12 April 2021

Sale of all mineral tenements

Highlights

- Archer executes a legally binding agreement to sell all of the company's mineral tenements ("Tenements").
 - At completion of the sale, Archer will receive 50 million shares in the capital of the buyer ("Share Consideration").
 - Share Consideration to be distributed in-specie to Archer shareholders.
 - Tenement sale and purchase is subject to certain conditions precedent, including the buyer listing on ASX and Archer shareholders' approval of the transaction and the Share Consideration distribution.
 - The buyer expects to list on ASX before September 2021.
 - The Company's business is simplified with Archer to become a pure play deep technology company.
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Archer Materials Limited ("Archer", the "Company", "[ASX:AXE](#)") is pleased to announce that it has signed a legally binding share sale agreement ("Agreement") with private company iTech Minerals Pty Ltd ("Buyer") for the sale of all of the subsidiary companies that hold Archer's mineral tenements.

Upon completion of the sale of the three wholly-owned subsidiary companies, Archer will no longer hold any mineral exploration licences, mining leases or any other type of mineral tenement. However, Archer will keep the 2.0% NSR royalty granted on the sale of the Eyre Peninsula tenements to Baudin Minerals Pty Ltd (ASX ann. [22 Dec 2020](#)), and the Company plans to execute an agreement with the Buyer for the future purchase of graphene from the Campoona graphite operations.

The sale of the subsidiary companies is consistent with Archer's strategy of monetising its non-core mineral exploration assets to fund and grow the Company's Advanced Materials business, in particular the development of its 12CQ room temperature quantum computing chip and the A1 Biochip.

Commenting on the simplification of the Company's business, Archer Executive Chairman Greg English said, "For the past year, we have been regularly informing shareholders and investors of our desire to sell our mineral tenements and simplify our business model. The sale of our remaining tenements to iTech is the last step in this process, and we are now fully focussed on the growth of our Advanced Materials business".

"The simplification of our business model and the sharpening of our focus on our Advanced Materials business should help the Company to attract interest from technology focussed investors and businesses."

Share Sale Agreement key terms

The Tenements are held by SA Exploration Pty Ltd, Archer Pastoral Company Pty Ltd and Pirie Resources Pty Ltd, all of which are wholly-owned subsidiaries of Archer ("Subsidiary Companies"). The Company has agreed to sell all of the Subsidiary Companies' shares to the Buyer ("Transaction").

Completion of the sale and purchase of the Subsidiary Companies ("Completion") is subject to the satisfaction or waiver of certain conditions precedent, including NSW Government approval to the change in control of SA Exploration Pty Ltd; the Buyer raising at least \$5.0 million and listing on ASX; Archer receiving ATO Demerger relief and Archer shareholder approval.

At Completion, Archer will receive 50 million Consideration Shares. The Archer board intends to distribute all of the 50 million Consideration Shares to Archer shareholders by way of a pro-rata in-specie distribution, subject to the receipt of favourable tax advice and regulatory and Archer shareholder approval.

Archer will hold an extraordinary general meeting ("Meeting") to seek shareholder approval of the Subsidiary Companies' sale and the in-specie distribution of the Consideration Shares. Further information about Transaction, the Buyer, and the in-specie distribution of the Consideration Shares (including the record date for eligible Archer shareholders to receive their Consideration Shares) will be included in the notice of Meeting to be distributed to Archer shareholders in June/July 2021.

Detailed information on the Buyer, the offer of securities under the proposed initial public offering, ASX listing and an indicative timetable will be included in a prospectus to be prepared by the Buyer. The Buyer has informed Archer that it expects to lodge the prospectus by the end of July 2021.

About Archer

A materials technology company developing innovative deep tech in quantum computing, biotechnology, and reliable energy. The Company has strong intellectual property, world-class in-house expertise, a unique materials inventory, and access to Tier 1 technology development infrastructure.

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

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Twitter:

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

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