



NOTICE OF ANNUAL GENERAL MEETING

ARCHER MATERIALS LIMITED (ACN 123 993 233)

THE 2022 ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ARCHER MATERIALS LIMITED WILL BE HELD:

DATE OF MEETING: WEDNESDAY, 23 NOVEMBER 2022

TIME OF MEETING: 10.30 AM (SYDNEY TIME)

PLACE OF MEETING: OFFICES OF GRANT THORNTON AUSTRALIA LIMITED,
LEVEL 17, 383 KENT STREET, SYDNEY, NSW, 2000

Notice of Annual General Meeting – 2022

Notice is hereby given that the 2022 Annual General Meeting of Archer Materials Limited (the **Company**) will be held on Wednesday, 23 November 2022 at 10:30am (Sydney time) at the offices of Grant Thornton Australia Limited, Level 17, 383 Kent Street, Sydney, NSW, 2000.

The Company strongly encourages Shareholders to read this Notice of Meeting carefully and vote by proxy following the instructions set out in this Notice of Meeting.

A copy of the Notice has been released as an ASX announcement and Shareholders can access a copy of the Notice of Meeting at the following link on the Company's website: www.archerx.com.au.

If you have elected to receive notices from the Company electronically, then you will receive an email providing a link to access your personalised proxy form online. For other Shareholders, a copy of your personalised proxy form will be sent to you by mail.

The Directors of Archer encourage Shareholders to participate in the Meeting by attending in person. Shareholders who are unable to attend the Meeting, are encouraged to appoint a proxy ahead of the Meeting to cast their vote at the Meeting. If you wish to appoint a proxy, please lodge your proxy online at www.investorvote.com.au.

This Notice of Meeting (which includes the following agenda, information for Shareholders and explanatory memorandum) details the formal business to be dealt with at the AGM.

How to participate in the AGM

In person

Shareholders can participate in the AGM in person by attending the offices of Grant Thornton Australia Limited, Level 17, 383 Kent Street, Sydney, NSW, 2000.

How to submit your vote in advance of the meeting

Proxy votes must be received by 10.30am (Sydney time) on Monday, 21 November 2022 to be valid for the Meeting. Instructions on how to appoint a proxy are on the online voting website, www.investorvote.com.au.

Your proxy may be appointed in a variety of ways described on pages 4 and 5 of this Notice under 'Appointment of proxies and corporate representatives'.

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AGENDA

General Business

Financial Statements and Report

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

Ordinary Resolutions

1. Adoption of Remuneration Report

To consider, and if thought fit, to pass the following non-binding Ordinary Resolution:

'That the Remuneration Report for the year ended 30 June 2022 be adopted'.

2. Re-election of Kenneth Williams as a Director

To consider, and if thought fit, to pass the following as an Ordinary Resolution:

'That Kenneth Williams be re-elected as a Non-Executive Director of the Company.'

3. Approval of Performance Rights Plan and Share Option Plan

To consider, and if thought fit, to pass the following Ordinary Resolution:

'That, for the purposes of Listing Rule 7.2, Exception 13, and for all other purposes, approval is given for the issue of securities under the Company's Employee Performance Rights and Share Option Plan (Plan) on the terms and conditions outlined in the Explanatory Memorandum.'

Special Resolution

4. Approval of 10% additional placement capacity

To consider, and if thought fit, to pass the following Special Resolution:

'That, for the purpose of Listing Rule 7.1A, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum.'

VOTING EXCLUSIONS

Resolution 1 (Remuneration Report)

A vote must not be cast (in any capacity) on Resolution 1 by, or on behalf of:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the 2022 Remuneration Report; or
- b) a Closely Related Party of such a member,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the proxy appointment is in writing that specifies the way the proxy is to vote on the resolution; or
- b) the vote is cast by the Chair of the Meeting and the appointment of the Chair as proxy:
 - i) does not specify the way the proxy is to vote on the resolution; and
 - ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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Resolution 3 (Approval of Performance Rights Plan and Share Option Plan),

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 by any Director or any person who is eligible to participate in the Archer Performance Rights and Share Option Plan, and any Associate of that person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- b) it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the item; and
 - ii) the holder votes on the item in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on Resolution 3 (and will be taken not to have been cast if cast contrary to this restriction) by any participants or potential participants in the Performance Rights and Share Option Plan and their Associates, otherwise the benefit of Resolution 3 will be lost by such a person in relation to that person's future retirement. However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on Resolution 3; and
- (b) it is not cast on behalf of the person or an Associate of the person.

Resolution 4 (10% Additional Placement Capacity)

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who may participate in the proposed issue, or who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if this Resolution is passed, and any Associates of such person. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- c) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the item; and
 - ii) the holder votes on the item in accordance with directions given by the beneficiary to the holder to vote in that way.

As at the date of this Notice of Meeting the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A or under Resolution 4 (if approved), therefore it is not known who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A (if approved).

Chairman's voting intention

The Chairman intends to vote undirected proxies on, and in favour of, all the proposed Resolutions. If there is a change to how the Chairman intends to vote undirected proxies, then the Company will make an announcement to the market.

By order of the Board



Damien Connor
Company Secretary

17 October 2022

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INFORMATION FOR SHAREHOLDERS

Participating in the Meeting

In person

Shareholders can participate in the AGM in person by attending the offices of Grant Thornton Australia Limited, Level 17, 383 Kent Street, Sydney, NSW, 2000.

Questions from Shareholders

Archer welcomes your feedback. All Shareholders will have a reasonable opportunity to ask questions on the items of business during the meeting, including an opportunity to ask questions of the Company's Auditor, Grant Thornton.

You may submit written questions ahead of the AGM relating to the business of the meeting, including questions for the Company's Auditor, Grant Thornton. Questions for the Company's Auditor must relate to the content of the Auditor's report or the conduct of the audit of the Financial Report.

Written questions must be received by the Company no later than 5.00pm (Sydney time) on Wednesday, 16 November 2022. You can send any written questions to:

Mail: to 'Archer Materials Limited AGM' at PO Box 190, Belair, SA, 5052

Email: hello@archerx.com.au

The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the meeting. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

Voting

For the purposes of the meeting, Shares will be taken to be held by the persons who are registered as Shareholders as at 7.00pm (Sydney time) on Monday, 21 November 2022. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to vote at the Meeting.

Voting on all items of business will be conducted on a poll. On a poll, every Shareholder has one vote for every fully paid Share held. You may vote at the Annual General Meeting:

- a) in person at the meeting; or
- b) in advance of the meeting, by appointing a proxy and directing your proxy how to vote:
 - i) online at www.investorvote.com.au by 10:30am (Sydney time) on Monday, 21 November 2022; or
 - ii) completing your personalised proxy form and sending to the Company's Share Registry via:
 - Mail to: Archer Materials Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia;
 - Fax to: Archer Materials Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555.
 - iii) online at www.intermediaryonline.com (only available to Custodian Voting with an Intermediary Online subscription).

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 10.30am (Sydney time) on Monday, 21 November 2022.

Appointment of proxies and corporate representatives

A Shareholder entitled to attend and vote is entitled to appoint up to two proxies. A proxy need not be a Shareholder and may be either an individual or a body corporate.

If a Shareholder is a corporation, it can attend and vote at the meeting by appointing an individual person to act as its corporate representative or by appointing a proxy to attend and vote on its behalf. A Shareholder that is a body corporate, or a proxy who is a body corporate, will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the meeting and provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

Where a Shareholder wishes to appoint two proxies, they can do so online at www.investorvote.com.au. A Shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder

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appoints two proxies but fails to specify the proportion or number of votes that each may exercise, each proxy appointed may exercise half the Shareholder's votes. Fractions of votes are to be disregarded. If your proxy chooses to vote, they must vote in accordance with your directions. If you have directed your proxy to vote, and they do not participate in the meeting or choose not to vote on a poll, then the Chairman of the meeting will become your proxy by default and vote your proxies as directed by you (subject to applicable voting restrictions).

Subject to the voting restrictions set out below, if you do not direct your proxy to vote by marking the relevant box on the proxy form, your proxy may vote as they choose on that item of business.

If your proxy does not participate in the Meeting, the Chairman will become your proxy by default. The Chairman intends to vote all available proxies in accordance with the Board recommendations set out in the Explanatory Memorandum accompanying this Notice.

Generally, the Key Management Personnel (KMP) of the Company (which includes each of the Directors) and their Closely Related Parties will not be able to vote your proxy on Resolutions 1 and 3 unless you have directed them how to vote or you have appointed the Chairman as your proxy. The circumstances in which KMP will be excluded from voting on Resolutions 1 and 3 are set out below under the heading 'Voting Exclusions'.

If you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on Resolutions 1 and 3. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him how to vote on Resolutions 1 and 3 by marking the relevant boxes on the proxy form. However, if the Chairman of the Meeting is your proxy (or becomes your proxy by default) and you do not mark any of the boxes opposite Resolutions 1 and 3, by completing and submitting the proxy form you will be deemed to have expressly authorised the Chairman to vote as he decides.

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 10.30am (Sydney time) on Monday, 21 November 2022.

Voting by Attorney

A Shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the meeting. An attorney may, but need not, be a Shareholder of the Company.

An attorney may not vote at the meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.

Proxy Lodgement

Proxies are able to be lodged by the following means:

- | | |
|-------------------|--|
| Online: | Enter the control number, SRN/HIN and postcode shown on the first page of the proxy form at www.investorvote.com.au |
| Mail: | Archer Materials Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia; or |
| Fax: | Archer Materials Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +613 9473 2555. |
| Custodian Voting: | Custodian Voting is available for Intermediary Online subscribers only (Custodians) by visiting www.intermediaryonline.com to submit your voting intentions. |

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 10.30am (Adelaide time) on Monday, 22 November 2022. Any proxy forms received after that time will not be valid for the Meeting.

Other Company documents and how to update your communication preferences

- A copy of the Company's 2022 Annual Report is available online at the Company's website www.archerx.com.au.
- In order to receive shareholder communications from the Company electronically, instead of by post, go to www.investorcentre.com.au to register your details and update your communication preferences.

Explanatory Memorandum

EXPLANATORY MEMORANDUM

Financial Statements and Report

As required by Section 317 of the Corporations Act, the Financial Report, Directors' Report and the Auditor's Report for the most recent financial year will be laid before the Meeting.

This item does not require a formal resolution to be put to the Meeting and there is no requirement for Shareholders to approve these reports.

During this item of business, Shareholders will be given reasonable opportunity to ask questions about the reports and the business and management of the Company. Also, Shareholders will be given a reasonable opportunity to ask a representative of the Company's Auditor, Grant Thornton, questions in relation to the conduct of the audit (including the independence of the Auditor), and the accounting policies adopted by the Company.

Resolution 1 – Adoption of Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report contained in the Directors' Report set out in pages 30 to 37 of the Company's 2022 Annual Report and is also available on the Company's website at www.archerx.com.au

The report outlines the Company's executive remuneration framework and the remuneration outcomes for the Company Board, CEO and Key Management Personnel.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about the remuneration report at the meeting before calling for a vote.

The Shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. The Board will consider and take into account the outcome of the vote and feedback from Shareholders on the Remuneration Report when reviewing the Company's remuneration policies.

Board Recommendation

The Non-Executive Directors unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 2 – Re-election of Kenneth Williams as a Director

Kenneth Williams has been a Non-Executive Director of the Company since 25 September 2020 and is Chairman of the Company's Audit & Risk Management Committee. In accordance with Listing Rule 14.5 and clause 8.1(f) of the Company's Constitution, Kenneth retires by rotation and being eligible, offers himself for re-election.

Kenneth holds a Masters of Applied Finance, a Bachelor of Economics with Honours and was the recipient of a Mitsui Education Foundation Scholarship (Japan) and an Australian Commonwealth Treasury Scholarship.

Kenneth has over 30 years' experience in corporate finance and has held senior executive, director, and Chair positions with leading ASX companies. Kenneth is currently Chairman of ASX listed Barton Gold Holdings Limited and was recently elected as Deputy Chancellor of the University of Adelaide.

His extensive experience in corporate finance includes diverse experience in mergers, acquisitions, divestments and corporate reconstructions. Kenneth was the Independent Chairman of Statewide Superannuation Trust (Statewide Super), a South Australian based industry super fund with over \$12 billion in funds under management. He was a member of Statewide Super's Investment Committee, and Remuneration & Nomination Committee. In April 2022 Statewide Super merged with Hostplus. Kenneth is also a Director of Lifetime Support Authority of South Australia.

Prior roles include Chair of AWE Limited, Chair of Havilah Resources Limited, and Senior Finance Executive roles with Newmont Corporation, Normandy Mining, and Qantas.

The Board (with Kenneth abstaining) considers Kenneth Williams to be an independent director.

Board Recommendation

The Board (with Kenneth abstaining) unanimously recommends that Shareholders vote in favour of this Resolution.

Explanatory Memorandum

Resolution 3 - Approval of Performance Rights and Share Option Plan

Background

Resolution 3 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 13, to approve the Archer Materials Limited Performance Rights and Share Option Plan (**Plan**) and to enable the securities granted under the Plan, and Shares issued upon the vesting or exercise of such securities, to be exempted from contributing towards the rolling annual limit of 15% of issued Shares prescribed by Listing Rule 7.1.

The Plan provides for the issue of performance rights (**Rights**) or options (**Options**) to employees and consultants of the Company. The Company has adopted the Plan as part of the overall remuneration strategy of the Company and is designed to assist the Company to attract and retain key employees and consultants of the Company and provide them with an incentive to maximise the return to Shareholders over the long term.

A summary of the material terms of the Plan is included at Annexure A to this Notice.

ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12-month period (including shares issued on the exercise of any options) exceeds 15% of the issued capital of the company preceding the issue.

ASX Listing Rule 7.2 contains a number of exceptions to the prohibition contained in ASX Listing Rule 7.1. In particular, under Exception 13 in ASX Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within three years of the date on which shareholders approve the issue of those Equity Securities are excluded when calculating the capacity of the Company to issue shares in accordance with ASX Listing Rule 7.1. This Resolution is designed to satisfy the requirements of Exception 13 in ASX Listing Rule 7.2 in relation to the Company's Performance Rights and Share Option Plan (Plan).

If this Resolution is passed, the Company will have the ability to issue Equity Securities to eligible participants under the Plan and Scheme over a period of 3 years without impacting on the Company's 15% placement capacity under Listing Rule 7.1.

If this Resolution is not passed, and if the Board decides to issue any Equity Securities under the Plan, any Securities issued will be included in calculating the Company's capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

Specific information required for approval under Listing Rule 7.2 (Exception 13)

The Plan was last approved by Shareholders at the Company's Annual General Meeting on 30 November 2020 (the **2020 AGM**), and the Company seeks further approval of the Plan to allow for the issue of Equity Securities under the Plan.

Since the Plan was last approved, the Company has as at the date of this notice issued 46,550,000 Options to employees of the Company of which:

- a) 8,200,000 have been exercised;
- b) 3,050,000 have been cancelled due to non-continuation of employment; and
- c) 35,300,000 are currently on issue.

It is noted that while the Company has issued 46,550,000 under the Plan, 43,050,000 of those Options were separately approved by Shareholders under Listing Rules 7.1 and 10.14 (for Options to Directors).

The maximum number of Equity Securities proposed to be issued from time to time under the Plan following approval will be 12,000,000. Approval of this Resolution does not necessitate the issue of the proposed Equity Securities. The Board will determine the number of Equity Securities that will be issued. If the Board determines that more than 12,000,000 Equity Securities will be issued in the upcoming 3 year period, then the Company will be required to issue those Equity Securities under its 15% placement capacity under Listing Rule 7.1 or seek a fresh approval under Exception 13 of ASX Listing Rule 7.2.

Since the Plan was last approved, the Company has as at the date of this notice, not issued any Performance Rights under the Plan.

A summary of the material terms of the Plan is included at Annexure A to this Notice.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Explanatory Memorandum

Resolution 4 - Approval of 10% Additional Placement Capacity

This Resolution 4 is a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote on this Resolution. This Resolution 4 may only be considered at the Meeting if on the date of the Meeting the Company has a market capitalisation of \$300 million or less.

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting at which approval of the issue is obtained (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of this Notice of Annual General Meeting and must remain compliant with the requirements of Listing Rule 7.1A at the date of the Meeting to be able to utilise the additional capacity to issue Equity Securities under that Listing Rule

The Company is now seeking Shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Capacity. The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Number of Shares

The formula for calculating the maximum amount of securities to be issued under the 10% Placement Capacity is calculated as follows:

(A x D) – E

A The number of fully paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - o the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - o the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - o the agreement was entered into before the commencement of the relevant period; or
 - o the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary securities that became fully paid in the relevant period;
- less the number of fully paid ordinary securities cancelled in the relevant period.

D is 10%.

E The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

"relevant period" means:

- if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1

Explanatory Memorandum

At the date of this Notice, the Company has on issue 248,467,207 Shares and therefore has capacity to issue:

- 1) 37,270,081 Equity Securities under Listing Rule 7.1; and
- 2) 24,846,720 Equity Securities under Listing Rule 7.1A (subject to approval of this Resolution 4 in this Notice).

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in the table below.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

1) Minimum issue price

For the purpose of Listing Rule 7.1.A.3, the issue price of Equity Securities under this 10% Placement Capacity will be no less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the price at which the securities are to be issued is agreed; or
- ii) if the securities are not issued within 10 trading days of the date in paragraph i), the date on which the securities are issued.

2) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of unlisted options, only if the unlisted options are exercised).

There is a risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the approval under rule 7.1A; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below describes the potential dilution of existing ordinary security holders on the basis of at least three different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2, and also shows:

- i) at least one example that assumes variable "A" is double the number of ordinary securities on issue at the time of the approval under rule 7.1A. Variable "A" is the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) at least one example where the issue price of ordinary securities has fallen by at least 50%.

Variable 'A' in Listing rule 7.1A.2		Dilution at different share prices		
		\$0.44 (50% decrease)	\$0.82 (Issue Price)	\$1.64 (100% increase)
Current Variable A 248,467,207 Shares	10% voting dilution	24,846,720 Shares	24,846,720 Shares	24,846,720 Shares
	Funds raised	\$10,187,155	\$20,374,310	\$40,748,620
50% increase in current Variable A 372,700,810 Shares	10% voting dilution	37,270,081 Shares	37,270,081 Shares	37,270,081 Shares
	Funds raised	\$15,280,733	\$30,561,466	\$61,122,932
100% increase in current Variable A 496,934,414 Shares	10% voting dilution	49,693,441 Shares	49,693,441 Shares	49,693,441 Shares
	Funds raised	\$20,374,310	\$40,748,621	\$81,497,243

The table above has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
- ii) No unlisted options (including any unlisted options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities;

Explanatory Memorandum

- iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or as a result of any issues of Equity Securities pursuant to any other approval under Chapter 7 of the Listing Rules.
- vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- vii) The issue price is \$0.82, being the closing price of the Shares on ASX on 10 October 2022.

3) Timing

The date by which the Equity Securities may be issued is the earlier of:

- i) the date that is 12 months after the date of this Annual General Meeting;
- ii) the time and date of the Company's next annual general meeting; and
- iii) the date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (change involving main undertaking).

The approval will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (change involving main undertaking).

4) Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities to use the funds raised towards an acquisition of new projects, assets or investments (including expenses associated with such acquisition), continued expenditure on development of the Company's advanced materials technologies and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Additional Placement Capacity.

5) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 1) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- 2) the effect of the issue of the Equity Securities on the control of the Company;
- 3) the financial situation and solvency of the Company; and
- 4) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

6) Previously obtained approval under rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2020 AGM on 30 November 2020. As such, for the purposes of rule 7.3A.6, the Company did not issue any Equity Securities in the 12 months preceding the date of this Meeting.

Board Recommendation

The Board considers that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of this Resolution.

Explanatory Memorandum

Definitions

In the Explanatory Memorandum and Notice of Annual General Meeting:

2022 Annual Report means the Company's annual report for the financial year ended 30 June 2022.

Archer or the **Company** means Archer Materials Limited (ABN 64 123 993 233).

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors.

Closely Related Party has the same meaning as in the Corporations Act.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Employee means a director, full or part time employee, casual employee or contractor of the Group.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel or **KMP** means a member of the key management personnel as disclosed in the Remuneration Report.

Listing Rules means the listing rules of ASX.

Meeting or **AGM** or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held on Wednesday, 23 November 2022 at 10.30am (Sydney time) at the offices of Grant Thornton Australia Limited, Level 17, 383 Kent Street, Sydney, NSW, 2000.

Member or **Shareholder** means each person registered as the holder of a Share.

Notice means this Notice of Annual General Meeting.

Option means an Unlisted Option to subscribe for a Share.

Option Holder means the holder of an Option.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

Participants means the proposed recipients of the Incentive Options.

Plan or **Performance Rights and Share Option Plan** means the employee incentive scheme the subject of Resolution 3 as summarised in Annexure A.

Remuneration Report means the report of the same name on pages 30 to 37 of the Company's 2022 Annual Report.

Resolution means a resolution referred to in this Notice.

Right means a Right to receive a Share for each Right at no cost.

Share means a fully paid ordinary share in the capital of the Company.

Special Resolution means a resolution passed by 75% or more of the votes at a general meeting of Shareholders.

Sydney time means legal time in Sydney, New South Wales, Australia.

Unlisted Option means an Option that is not quoted on ASX.

VWAP means volume weighted average market price.

Explanatory Memorandum

ANNEXURE A – KEY TERMS AND CONDITIONS OF THE PLAN

1) Eligibility

The Board may, in its absolute discretion, grant Performance Rights and Options to an “Eligible Employee”. An “Eligible Employee” is a director, full or part time employee, casual employee or contractor of the Group or as determined by the Board from time to time, who is invited by the Board to participate in the Plan.

2) Terms

Any invitation by the Board will be on such terms and conditions as the Board determines including without limitation as to criteria, number of Rights that the relevant Eligible Employee may apply for, when and in what circumstances a Right or Option may become a vested performance right or option and any other criteria to be satisfied, the applicable exercise period, the applicable exercise price and the applicable performance conditions.

3) Rights and Options

- a) A Right or Option entitles its holder to a Share which can be exercised once the Right or Option has become exercisable and provided it has not lapsed.
- b) The Board may determine that certain performance conditions must be satisfied before a Right or Option becomes exercisable. If the performance conditions are satisfied, the Rights or Options vest and may become exercisable.
- d) A Right or Option does not give the holder a legal or beneficial right to Shares. Rights and Options do not carry any rights or entitlements to dividends, return of capital or voting in shareholder meetings.
- f) A Right or Option does not entitle the holder to participate in any new issues of securities unless, before the record date for determining entitlements under the new issue, that Right or Option has vested, been exercised and a Share has been issued in respect of that Right or Option.

4) Exercise of Performance Rights and Options

- a) Rights and Options will vest and become exercisable if:
 - i) any performance conditions set by the Board at the time of the grant are met;
 - ii) an event occurs such as the winding up of the Company; or
 - iii) the Board determines that a Right or Option becomes a vested Right or Option.
- b) Once the Rights or Options become exercisable, the holder will need to exercise those Rights or Options to acquire Shares. The exercise of any vested Right or Option granted under the Plan will be effected in the form and manner determined by the Board.

5) Lapse and Forfeiture

- a) The Rights and Options will lapse on the expiry date. This period may be shortened if the holder ceases to be employed under certain circumstances.
- c) A Share issued on the exercise of a Right or Option will be forfeited or the Board may, in its absolutely discretion determine any unvested Rights or Options to have lapsed and/or where any Shares issued on the exercise of a Right or Option have been sold, require the holder to pay all or part of the net proceeds of that sale to the Company, if in the opinion of the Board, the holder acts fraudulently or dishonestly or is in breach of its obligations.

6) Restrictions

- a) Participants in the Plan are prohibited from transferring Rights or Options without the consent of the Board or in the event of death, mental incapacity or bankruptcy.
- b) Rights or Options will not be listed for quotation on the ASX. Shares issued on exercise of vested Rights or Options will be subject to transfer restrictions as determined by the Board at the time of granting the Right or Option.
- c) In the event of any reconstruction of the issued capital of the Company between the date of allocation of the Rights or Options and the exercise of those Rights or Options, the number of Shares to which the holder will become entitled on the exercise of the Right or Option or any amount payable on exercise of the Right or Option will be adjusted as determined by the Board and in accordance with the Listing Rules.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30 am (Sydney time) 21 November 2022**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number:
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Archer Materials Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Archer Materials Limited to be held at the Offices of Grant Thornton Australia Limited, Level 17, 383 Kent Street, Sydney, NSW 2000 on Wednesday, 23 November 2022 at 10:30am (Sydney time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 3 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 3 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Kenneth Williams as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Performance Rights Plan and Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of 10% additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically