

A close-up, high-magnification photograph of a microchip or integrated circuit. The chip is dark and rectangular, with numerous small, square, metallic-looking components (likely solder bumps or micro-bumps) arranged in a grid pattern on its surface. A pair of tweezers is visible, holding the chip. The background is dark and out of focus.

NOTICE OF ANNUAL GENERAL MEETING

Archer Materials Limited (ACN 123 993 233)

The 2021 Annual General Meeting of the shareholders of Archer Materials Limited will be held:

Date of
Meeting:

Wednesday, 24 November 2021

Time of
Meeting:

10.00 am (Adelaide time)

Place of
Meeting:

In person: Offices of Grant Thornton Australia Limited,
Level 3, 170 Frome Street, Adelaide, South Australia, 5000

Virtual: <https://web.lumiagm.com/355097517>

Notice of Annual General Meeting – 2021

Notice is hereby given that the 2021 Annual General Meeting of Archer Materials Limited (the **Company**) will be held on Wednesday, 24 November 2021 at 10:00am (Adelaide time) at the offices of Grant Thornton Australia Limited, Level 3, 170 Frome Street, Adelaide, South Australia, 5000.

Attendance at the Meeting will be governed by the SA State Government COVID Safety Guidelines. Shareholders who plan to attend the Meeting in person should be mindful of government warnings and advice and monitor the Company's website for any updates about the Meeting, including a possible change of Meeting location. As we have seen recently, the situation can change rapidly.

There is a risk that Shareholders intending to attend the physical Meeting may not be admitted, depending on the number of Shareholders who wish to physically attend the Meeting. 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.

The Company will update Shareholders if changing circumstances will impact planning for the Meeting.

Shareholders who wish to virtually attend the Annual General Meeting (which will be broadcast as a live webcast), can register online at <https://web.lumiagm.com/355097517>. Online registrations will commence from 9:30am (Adelaide time), being 30 minutes prior to the 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 or via the online platform. Shareholders who are unable to attend the Meeting (either in person or online) or choose not 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 3, 170 Frome Street, Adelaide, South Australia, 5000.

Online

Shareholders can participate in the AGM and watch the webcast online from their computer or mobile device by entering the URL in their browser: <https://web.lumiagm.com/355097517>.

The online platform will allow Shareholders, proxyholders, attorneys and authorised representatives to view the meeting, vote and ask questions in real-time. Further information on how to participate in the meeting is provided in the notice of meeting, and in the Virtual AGM Online Guide, which can be accessed at www.computershare.com.au/virtualmeetingguide.

How to submit your vote in advance of the meeting

Proxy votes must be received by 10.00am (Adelaide time) on Monday, 22 November 2021 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 page 6 of this Notice under 'Appointment of proxies and corporate representatives'.

With Government guidance continually being updated, Archer is closely monitoring the developments relating to COVID-19. Shareholders are encouraged to check Archer's website at www.archerx.com.au and the ASX for updates in relation to the AGM.

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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 2021.

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 2021 be adopted'.

2. Election of Bernadette Mary Harkin as a Director

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

'That Bernadette Mary Harkin be elected as a Non-Executive Director of the Company.'

3. Ratification of Placement Shares issued on 8 October 2021

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

'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify the issue and allotment of 10,344,828 Placement Shares on the terms and to the parties set out in the accompanying Explanatory Memorandum.'

4. Ratification of SPP Shares issued on or about 27 October 2021

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

'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify the issue and allotment of up to 6,896,552 SPP Shares on the terms set out in the accompanying Explanatory Memorandum.'

5. Approval to issue Incentive Options to the CEO and Employees

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

'To approve the grant a total of 18,000,000 Incentive Options to the CEO, employees and consultants of the Company, or their respective nominees, as described in the Explanatory Memorandum'.

6. Approval to issue Incentive Options to Director Gregory English

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

'To approve the grant a total of 5,000,000 Incentive Options to Gregory English, a Director of the Company, or his nominee, as described in the Explanatory Memorandum'.

7. Approval to issue Incentive Options to Director Bernadette Harkin

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

'To approve the grant a total of 1,500,000 Incentive Options to Bernadette Harkin, a Director of the Company, or her nominee, as described in the Explanatory Memorandum'.

8. Approval to issue Incentive Options to Director Kenneth Williams

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

'To approve the grant a total of 1,500,000 Incentive Options to Ken Williams, a Director of the Company, or his nominee, as described in the Explanatory Memorandum'.

Special Resolutions

9. 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.'

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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 or a former member of the Key Management Personnel, details of whose remuneration are included in the 2021 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 KMP.

Resolution 3 (Ratification of Placement Shares issued on 8 October 2021) and Resolution 4 (Ratification of SPP Shares issued on or about 27 October 2021)

The Company will disregard any votes cast in favour of:

- Resolution 3 by or on behalf of any person who participated in the issue of Placement Shares and any associates of such a person, or any person who is a counterparty to the agreement being approved; and
- Resolution 4 by or on behalf of any person who participated in the issue of SPP Shares and any associates of such a person, or any person who is a counterparty to the agreement being approved.

However, the Company need not disregard a vote cast in favour 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy 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.

Resolution 5 (Approval to issue Incentive Options to the CEO and Employees)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by any person who is proposed to be issued Incentive Options under Resolution 5 and their respective associates. 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 person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy 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, under the Corporations Act, a vote must not be cast on this Resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly

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authorises the person who is the chair of the meeting to exercise the proxy. However, the member or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution or by a person who is the chair of the Meeting at which the Resolution is voted on, and the appointment 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.

Resolution 6 (Approval to issue Incentive Options to Director Gregory English), Resolution 7 (Approval to issue Incentive Options to Director Bernadette Harkin) and Resolution 8 (Approval to issue Incentive Options to Director Ken Williams)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 6 by Gregory English, Resolution 7 by Bernadette Harkin and Resolution 8 by Ken Williams and their respective associates. 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 person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy 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, under the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this resolution or expressly authorises the person who is the chair of the meeting to exercise the proxy. However, the member or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution or by a person who is the chair of the Meeting at which the Resolution is voted on, and the appointment 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.

Resolution 9 (10% Additional Placement Capacity)

The Company will disregard any votes cast in favour of Resolution 9 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 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy 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 9 (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
20 October 2021

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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 3, 170 Frome Street, Adelaide, South Australia, 5000.

Due to the size of the venue, physical limits will be in place for attending the Annual General Meeting in person, according to the SA State Government COVID Safety Guidelines. As such, if you wish to attend in person, or have a proxy attend in person on your behalf, please pre-register your interest in advance by emailing the Company Secretary at hello@archerx.com.au. Any Shareholders that attend without registering will not be permitted if guideline limits have been reached.

Online registration

You will be able to attend and participate in the Annual General Meeting online using your computer, your mobile phone or device. You can participate in the Meeting by entering this link in your browser: <https://web.lumiagm.com/355097517>;

Further information about how to log in to the Lumi online platform, to register for the Annual General Meeting, and to participate in the Annual General Meeting as a Shareholder, proxyholder, attorney or authorised representative is available in the Virtual AGM Online Guide, which can be accessed at www.computershare.com.au/virtualmeetingguide

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, either in person at the meeting or via the Lumi online platform, 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 (Adelaide time) on Monday, 22 November 2021. 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, 22 November 2021. 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. You may vote at the Annual General Meeting:

- a) in person at the meeting; or
- b) live and online during the meeting using the Lumi online platform; or
- c) in advance of the meeting, by appointing a proxy and directing your proxy how to vote:
 - i) online at www.investorvote.com.au by 10:00am (Adelaide time) on Monday, 22 November 2021; 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 10.00am (Adelaide time) on Monday, 22 November 2021.

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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 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, 5, 6, 7 and 8 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, 5, 6, 7 and 8 are set out below under the heading 'Voting Exclusions'.

Generally, each Director and their respective associates will not be able to vote your proxy in favour of Resolutions in which the respective Director or their associated have an interest (being Resolution 6 for Gregory English, Resolution 7 for Bernadette Harkin and Resolution 8 for Kenneth Williams) unless you have directed them how to vote or you have appointed the Chairman as your proxy. The circumstances in which Directors and their respective associates will be excluded from voting in favour of Resolutions 6, 7, and 8 are set out above 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 Resolution 1, 5, 6, 7 and 8. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him how to vote on Resolutions 1, 5, 6, 7 and 8 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, 5, 6, 7 and 8, 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 10.00am (Adelaide time) on Monday, 22 November 2021.

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.

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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 10.00am (Adelaide time) on Monday, 22 November 2021. Any proxy forms received after that time will not be valid for the Meeting.

Technical difficulties

Technical difficulties may arise during the course of the Meeting. The chairperson has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairperson will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where the chairperson considers it appropriate, the chairperson may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy in accordance with the instructions provided even if they plan to attend online.

Other Company documents and how to update your communication preferences

- A copy of the Company's 2021 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

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 24 to 31 of the Company's 2021 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 - Election of Bernadette Harkin as a Director

Bernadette Harkin was appointed as a Non-Executive Director of the Company by the Board on 6 October 2021 and was also appointed as member of the Company's Audit & Risk Management Committee. Bernadette Harkin offers herself for election at the first Annual General Meeting since her appointment, in accordance with Listing Rule 14.4 and clause 8.1 of the Company's Constitution.

Bernadette holds an MBA from University of Technology Sydney and is a Graduate Member of the Australian Institute of Company Directors.

Bernadette has over 20 years of experience working as a business technologist across strategy, sales, marketing, operations, and delivery for multinational Information Technology companies including IBM, Avanade, and CGI. This includes 3 years at IBM where Bernadette served as a board member for IBM Philippines. Bernadette's experience covers technology areas of Cloud, Analytics, Mobility, AI and Security.

Explanatory Memorandum

Bernadette's international experience spans leadership within large corporate governance structures and the start-up of new businesses. Bernadette has led and held senior advisory roles involving business transformations for businesses in the US, Europe, and Asia, including those within the STEM sector, which have been underpinned by corporate growth strategies leveraging innovative technologies.

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

Board Recommendation

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

Resolutions 3 & 4 (Ratification of Placement Shares and SPP Shares issued)

Introduction

On 4 October 2021, the Company announced a \$20 million equity raise, to be principally used to fund:

- Progression of Archer's world-first technology development, including its ¹²CQ quantum computer chip and Biochip;
- Protecting intellectual property assets (e.g. patents and international patent applications) underpinning the Company's technology; and
- Establishing and strengthening new and existing commercial partnerships in Australia and abroad.

The equity raise comprised a:

- placement to sophisticated and professional investors to raise \$15 million (before costs) at a price of \$1.45 per Share (**Placement**); and
- share purchase plan (**SPP**) to raise \$5 million at \$1.45 per Share. On 18 October 2021 the Company announced the Board's decision to increase the amount raised under the SPP to \$10 million.

Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions shown in Listing Rule 7.2, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of shareholders over any 12-month period to 15% of the fully paid Shares it had on issue at the start of that period.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, then the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule.

Resolution 3 (Ratification of Placement Shares issued on 8 October 2021)

Resolution 3 seeks Shareholder ratification of the 10,344,828 Shares issued on 8 October 2021 pursuant to the Placement.

Background to Resolution 3

On 4 October 2021, the Company announced a Placement to professional and sophisticated investors, involving the issue of 10,344,282 Shares at a price of \$1.45 per Share (**Placement Shares**) to raise \$15,000,000 (before costs). The Placement Shares were issued on 8 October 2021, under the Company's 15% placement capacity under ASX Listing Rule 7.1.

The issue of Placement Shares did not fall within any of the exceptions in Listing Rule 7.2 and effectively uses up part of the Company's 15% limit under Listing Rule 7.1. The Company confirms that the issue and allotment of the Placement Shares did not breach ASX Listing Rule 7.1 at the date of issue.

The Company is seeking Shareholder approval pursuant to Listing Rule 7.4, for the ratification of the issue and allotment of Placement Shares under the Company's 15% placement capacity under ASX Listing Rule 7.1.

If Resolution 3 is:

- passed, then the issue and allotment of Placement Shares the subject of Resolution 3 will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing; or
- not passed, then the issue of Placement Shares the subject of Resolution 3 will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing,

the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of Placement Shares.

Explanatory Memorandum

Key Information

ASX Listing Rule 7.5 requires the following information about the issue of Placement Shares to be provided to Shareholders, in respect of Resolutions 3:

<i>Party:</i>	Placement Shares were issued to professional and sophisticated investors (within the meaning of sections 708(8) – (11) of the Corporations Act) who were identified and sourced by the joint lead managers to the Placement. None of the recipients were related parties of the Company or substantial shareholders in the Company.
<i>Securities issued:</i>	10,344,282 Shares issued under ASX Listing Rule 7.1. The Shares are fully paid ordinary shares
<i>Date of issue:</i>	8 October 2021.
<i>Issue price:</i>	\$1.45 per Share to raise \$15,000,000 (before costs).
<i>Terms of securities:</i>	Shares rank equally with all other Shares on issue.
<i>Terms of agreement:</i>	Placement of Shares made under a placement agreement with the joint lead managers, Canaccord Genuity (Australia) Limited and Taylor Collison Limited. The agreement includes terms and conditions standard in these types of agreements, with information regarding the fees payable to the joint lead managers and key information was detailed in the Appendix 3B lodged with ASX on 4 October 2021.
<i>Purpose:</i>	The purpose of the issue was to fund: <ul style="list-style-type: none">• progression of Archer's world-first technology development, including its ¹²CQ quantum computer chip and Biochip;• protecting intellectual property assets (e.g. patents and international patent applications) underpinning the Company's technology;• establishing and strengthening new and existing commercial partnerships in Australia and abroad; and• general working capital requirements.
<i>Voting exclusion statement:</i>	A voting exclusion statement is included in this Notice of Meeting.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolutions 3.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 3.

Resolution 4 (Ratification of SPP Shares issued on or about 27 October 2021)

Resolution 4 seeks Shareholder ratification of up to 6,896,552 Shares on or about 27 October 2021 pursuant to the SPP.

Background to Resolution 4

On 7 October 2021 the Company offered eligible Shareholders the opportunity to participate in the Company's SPP to purchase up to a maximum of \$30,000 of new Shares at an issue price of \$1.45 per Share. The SPP was seeking to raise \$5 million however, on 18 October 2021, the Company announced the Board's decision to increase the amount raised to \$10 million and close the SPP early, on 20 October 2021 (initially scheduled to close on 28 October 2021). New Shares under the SPP will be issued on or about 27 October 2021.

The SPP closes on 20 October 2021, therefore the actual number of new Shares being issued under the SPP as at the date of this Notice is unknown. The number of new Shares issued under the SPP will be known prior to 27 October 2021, being the issue date for SPP Shares. While the SPP offer will have closed as at the date of this Notice, the Shares to be issued in respect of the SPP will not, therefore, Resolution 4 seeks Shareholder ratification of up to 6,896,552 new Shares (**SPP Shares**) issued on or about 27 October 2021, representing an amount of \$10,000,000 raised pursuant to the SPP.

ASX Listing Rules and Reasons for Seeking Shareholder Approval

A summary of the Listing Rules 7.1 and 7.4 is set out in the Explanatory Memorandum for Resolution 3.

The issue of up to 6,896,552 SPP Shares did not fall within any of the exceptions in Listing Rule 7.2 and were issued without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1. The Company confirms that the issue and allotment of SPP Shares did not breach ASX Listing Rule 7.1 at the date of issue.

Explanatory Memorandum

If Resolution 4 is:

- passed, then the issue and allotment of SPP Shares the subject of Resolution 4 will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing; or
- not passed, the issue of SPP Shares the subject of Resolution 4 will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing,

the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the SPP Shares.

Key Information

ASX Listing Rule 7.5 requires the following information about the issue of Placement Shares to be provided to Shareholders, in respect of Resolutions 3:

<i>Allottees:</i>	SPP Shares were issued to eligible Shareholders who were issued Shares pursuant to the SPP offer document dated 7 October 2021.
<i>Securities issued:</i>	Up to 6,896,552 Shares issued under ASX Listing Rule 7.1.
<i>Date of issue:</i>	On or about 27 October 2021.
<i>Issue price:</i>	\$1.45 per Share to raise \$10,000,000 (before costs)
<i>Terms of securities:</i>	Shares rank equally with all other Shares on issue.
<i>Terms of agreement:</i>	SPP Shares were issued pursuant to the terms and conditions of the SPP offer document dated 7 October 2021
<i>Purpose:</i>	<p>The purpose of the issue was to fund:</p> <ul style="list-style-type: none">• progression of Archer's world-first technology development, including its ¹²CQ quantum computer chip and Biochip;• protecting intellectual property assets (e.g. patents and international patent applications) underpinning the Company's technology;• establishing and strengthening new and existing commercial partnerships in Australia and abroad; and• general working capital requirements.
<i>Voting exclusion statement:</i>	A voting exclusion statement is included in this Notice of Meeting.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 4.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

Resolutions 5, 6, 7 and 8 - Approval to issue Incentive Options to the CEO, Employees and Directors

Background

The Company has undergone significant change in the past three years from mineral exploration to a technology company developing advanced semiconductor devices. However, there is still a considerable amount of work yet to be done for the growth of the Company. Therefore, the Board has formed the view that the Company must retain the CEO, staff, officers and Directors to complete this work and develop the Company's technologies. The Board believes that the offer of Incentive Options is the best way to incentivise key people to remain with Archer during this period.

The Company is seeking shareholder approval to grant 26,000,000 Incentive Options (**Incentive Options**) to the CEO, Employees and Directors of the Company, or their respective nominees (collectively the **Participants**). It is proposed that a total of 18 million Incentive Options will be issued to the CEO and Employees (Resolution 5) and 8 million Incentive Options will be issued to Directors (Resolutions 6, 7, and 8). The Board has formed a view that the proposed grant of Incentive Options provides a long-term non-cash incentive to the CEO, key Employees and Directors, that better aligns them with Shareholder interests.

Explanatory Memorandum

The Incentive Options will be subject to the rules of the Company's Performance Rights and Share Option Plan (**Plan**) rules which were approved at the Company's 2019 Annual General Meeting (**2019 AGM**). The Plan was approved under Listing Rule 7.2 (Exception 9(b)). At the time of approval of the Plan, there was no requirement for the notice of meeting to disclose the total number of equity securities proposed to be issued under the Plan.

Certain changes were made to the Listing Rules after the date of the 2019 AGM. One of the changes was to amend Listing Rule 7.2 (Exception 9(b)) to become a new Listing Rule 7.2 (Exception 13). Listing Rule 7.2 (Exception 13) allows a company to issue equity securities under an employee incentive scheme, without shareholder approval, provided that the number of equity security does not exceed the maximum number permitted under the scheme.

A Company can issue equity securities under Listing Rule 7.2 (Exception 13) if at the time the Plan was approved, the Company disclosed the maximum number of equity securities proposed to be issued under the Plan. As the Company was not required to disclose this information at the 2019 AGM, Archer cannot rely on Listing Rule 7.2 (Exception 13) and is seeking shareholder approval under Listing Rule 7.3 to issue the 18 million Incentive Options to the CEO and Employees.

If Shareholders approve Resolution 5, then the issue of the 18 million Incentive Options to the CEO and Employees is not included in the Company's 15% placement capacity under Listing Rule 7.1.

In addition, the issue of the 8 million Incentive Options to Directors requires Shareholder approval under the Corporations Act and the Listing Rules.

1. Terms and Conditions

The terms and conditions of the Incentive Options proposed to be granted are detailed below and Annexure A. The Incentive Options will also be subject to the terms and conditions of the Company's Performance Rights and Share Option Plan and the Company's constitution.

2. ASX Listing Rule Requirements

ASX Listing Rule 10.14 provides that a listed company may only permit a director of the Company to acquire newly issued shares or rights to shares under an employee incentive scheme where that director's participation has been approved by an ordinary resolution of shareholders.

3. Information required by Listing Rule 10.15 and Listing Rule 7.3

Listing Rules 10.15 and 7.3 require that the following information be provided to Shareholders:

<i>Name of allottees* and the number of Incentive Options to be issued:</i>	Name	Role	No. of Incentive Options
<i>* allottees may elect to have their entitlement issued to a nominee</i>	Dr. Mohammad Choucair	CEO	6,000,000
	Gregory English	Executive Chairman	5,000,000
	Bernadette Harkin	Director	1,500,000
	Ken Williams	Director	1,500,000
	Other employees, officers and consultants		12,000,000
<i>The date by which the Incentive Options will be issued:</i>	All Incentive Options will be issued to Participants as soon as practicable, but in any event, they will be issued no later than one month after the date of this Meeting.		
<i>Exercise Price:</i>	145% of the five-day VWAP of Shares up to and including the issue date.		
<i>Expiry Date:</i>	31 May 2025.		
<i>The issue price of the Incentive Options:</i>	The Incentive Options will be issued for nil cash consideration.		
<i>Vesting Dates:</i>	<p>The purpose of the Incentive Options is to incentivise staff, directors and senior managers to remain with the Company and grow value for shareholders. Accordingly:</p> <ul style="list-style-type: none">• one third of the Incentive Options will vest on 31 May 2022;• one third of the Incentive Options will vest on 31 May 2023; and• the remaining one third of the Incentive Options will vest on 31 May 2024, <p>provided that the relevant holder of the Incentive Options is still an employee, officer or director (as the context requires) of Archer at the vesting date.</p>		

Explanatory Memorandum

<i>The terms of issue of the Incentive Options:</i>	Each Incentive Option is an unlisted option to subscribe for a Share on the same terms and conditions as the Company's existing Shares. Incentive Options will be issued on the terms and conditions set out in Annexure A and be subject to the terms of the Plan.
<i>The intended use of funds:</i>	The Incentive Options will be issued for nil consideration, and no funds will be raised from the grant of Incentive Options. It is anticipated that any funds raised from the exercise of Incentive Options (if this occurs) will be used for general working capital. There is no guarantee that the Incentive Options will be exercised at all.

4. The dilution effect of the grant of Incentive Options

If any of the Incentive Options are exercised, then the effect would be to dilute the shareholding of existing Shareholders. The number of equity securities currently on issue as at the date of this Notice of Meeting and the dilutionary effects of the Incentive Options are summarised below.

Type of security	Number	% (fully diluted basis)
Shares currently on issue	239,251,374	85.95%
Other Equity Securities on issue (e.g. options, rights etc)	13,118,277	4.71%
Incentive Options to be issued to the CEO and Employees	18,000,000	6.47%
Incentive Options to be issued to Directors	8,000,000	2.87%
Total	278,369,651	100%

5. Individual security holdings of Key Management Personnel

The Equity Securities in the Company currently held directly and indirectly by the Key Management Personnel as at the date of this Notice of Meeting are set out below.

	No. shares	No. other Equity Securities	% Share capital (undiluted basis)
Gregory English <i>Executive Chairman</i>	8,997,618	5,000,000	3.76%
Dr Mohammad Choucair <i>Chief Executive Officer</i>	2,600,000	3,400,000	1.09%
Bernadette Harkin <i>Non-executive Director</i>	Nil	Nil	-%
Ken Williams <i>Non-executive Director</i>	Nil	1,500,000	-%
Damien Connor <i>Company Secretary / CFO</i>	467,500	1,000,000	0.20%

6. Other aspects of remuneration packages of Key Management Personnel

Gregory English is entitled to an annual salary of \$371,690 (inclusive of statutory superannuation) and a discretionary bonus of up to 15% of his salary each year, determined with reference to key performance indicators set by the Board annually. Regarding the year ending 30 June 2021, the board paid a discretionary bonus of 15% of Mr English's annual salary.

Dr Mohammad Choucair is entitled to an annual salary of \$251,850 (inclusive of statutory superannuation). He may be eligible to participate in any incentive or bonus plans, as the Company may have introduced from time to time. Regarding the year ending 30 June 2021, the board paid a discretionary bonus of 25% of Dr Choucair's annual salary.

Bernadette Harkin and Ken Williams are entitled to an annual director's fee, which is currently \$70,000 (inclusive of statutory superannuation).

Damien Connor is paid an hourly rate for services in his role as the Company's Chief Financial Officer and Company Secretary.

Explanatory Memorandum

7. Rationale and Recommendation

The Board sees the Incentive Options as a means of incentivising the CEO, Employees, Directors, officers, and essential consultants to continue working for the Company and to better align their interests with Shareholder interests.

If approved for issue, the Incentive Options will form part of each Participants respective remuneration package and will be in addition to the respective remuneration and fees payable to each Participant.

The Board notes that the grant of the Incentive Options to each of the Non-Executive Directors (Bernadette Harkin and Ken Williams) may be contrary to the guidelines on non-executive director remuneration in Box 8.2 of Recommendation 8.3 of the ASX's Corporate Governance Council's Principles and Recommendations.

The Board considers the grant of the Incentive Options, including those proposed to be granted to the Participating Directors, to be reasonable and appropriate in the circumstances for the reasons described above.

8. Effect on earnings and other

The Incentive Options will vest equally in three tranches. One third of a relevant Participant's Incentive Options will vest on 31 May 2022 (**Tranche 1**), 31 May 2023 (**Tranche 2**) and 31 May 2024 (**Tranche 3**), provided that at the date of vesting, the relevant Participant is still an employee, director or officer of the Company. For example, if an employee is no longer working with Archer on 1 August 2022, then their Tranche 1 Incentive Options would have vested on 31 May 2022, but their Tranche 2 and Tranche 3 Incentive Options will lapse on their departure from the Company, in accordance with the rules of the Plan.

The Tranche 1 Incentive Options will vest in the financial year ended 30 June 2022 (**FY22**), Tranche 2 in the financial year ended 30 June 2023 (**FY23**) and Tranche 3 in the financial year ended 30 June 2024 (**FY24**). There will be an effect on the Company's earnings for FY22 (in the case of Tranche 1), FY23 (in the case of Tranche 2) and FY24 (in the case of Tranche 3) in that the Company will likely recognise a share-based payment expense in the Company's profit and loss statement for the relevant year.

The opportunity costs, taxation consequences (such as fringe benefits tax) and benefits foregone by the Company in association with the issue of the incentive Options is nil.

9. Date by which Incentive Options will be granted

The proposed grants of Incentive Options to all Participants are expected to be made on or around 25 November 2021 but not later than 24 December 2021, subject to shareholder approval of Resolution 5, 6, 7 and 8.

10. Consequences if approval not obtained

If Shareholders do not approve the proposed issue of the 26 million Incentive Options, the subject of Resolutions 5, 6, 7 and 8, then the grant of the Incentive Options will not proceed. This may impact Archer's ability to incentivise Participants and align their interests with those of Shareholders. The Board will need to consider alternative remuneration arrangements, which may not be consistent with Archer's remuneration principles, including a cash payment.

The passing of Resolutions 5, 6, 7 and 8 are each conditional upon and subject to Shareholders approving all Resolutions to approve the issue of Incentive Options to Directors and Employees (being Resolutions 5, 6, 7 and 8). Accordingly, if you intend to vote in favour of issuing Incentive Options to Directors and Employees, you should vote in favour of Resolution 5, Resolution 6, Resolution 7 and Resolution 8.

11. Board Recommendation – Resolutions 5, 6, 7 and 8.

Each of the Directors has a material personal interest in the outcome of Resolutions 5, 6, 7 and 8. In accordance with ASIC guidance on the matter, each Director considers that it is not appropriate for them to recommend the remuneration of another Director. Accordingly, all Directors decline to make any recommendation to Shareholders concerning Resolutions 5, 6, 7 and 8.

Resolution 9 - Approval of 10% Additional Placement Capacity

This Resolution 9 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 9 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. At the date of this Notice Archer's market capitalisation was approximately \$384 million.

This Resolution will be withdrawn if the Company's market capitalisation exceeds \$300 million on the day of the Meeting.

Background to Resolution 9

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.

Explanatory Memorandum

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

At the date of this Notice, the Company has on issue 239,251,374 Shares and therefore has capacity to issue:

- 1) 35,887,706 Equity Securities under Listing Rule 7.1 (subject to approval of Resolutions 3 of this Notice); and
- 2) 23,925,137 Equity Securities under Listing Rule 7.1A (subject to approval of this Resolution 9 in this Notice).

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

Explanatory Memorandum

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		
		\$0.805 (50% decrease)	\$1.61 (Issue Price)	\$3.22 (100% increase)
Current Variable A 239,251,374 Shares	10% voting dilution	23,925,137 Shares	23,925,137 Shares	23,925,137 Shares
	Funds raised	\$19,259,735	\$38,519,470	\$77,038,941
50% increase in current Variable A 358,877,061 Shares	10% voting dilution	35,887,706 Shares	35,887,706 Shares	35,887,706 Shares
	Funds raised	\$28,889,603	\$57,779,206	\$115,558,413
100% increase in current Variable A 478,502,748 Shares	10% voting dilution	47,850,274 Shares	47,850,274 Shares	47,850,274 Shares
	Funds raised	\$38,519,470	\$77,038,941	\$154,077,882

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;
- 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.

Explanatory Memorandum

- 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 \$1.61, being the closing price of the Shares on ASX on 19 October 2021.

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 2021 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 Resolution 9.

Explanatory Memorandum

Definitions

In the Explanatory Memorandum and Notice of Annual General Meeting:

2021 Annual Report means the Company's annual report for the financial year ended 30 June 2021.

Adelaide time means legal time in Adelaide, South Australia, Australia.

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

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.

Incentive Option means an Option issued on the terms and conditions set out in Annexure A.

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, 24 November 2021 at 10.00am (Adelaide time) at the offices of Grant Thornton Australia Limited Level 3, 170 Frome Street, Adelaide, South Australia, 5000 and online at <https://web.lumiagm.com/355097517>

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

Notice means this Notice of Annual General Meeting.

Option means an 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.

Placement means the issue of 10,344,828 Shares at an issue price of \$1.45 per Share to sophisticated and professional investors announced by the Company on 4 October 2021.

Placement Shares means 10,344,828 Shares issued pursuant to the Placement.

Plan means the Archer Performance Rights and Share Option Plan.

Remuneration Report means the report of the same name on pages 24 to 31 of the Company's 2021 Annual Report.

Resolution means a resolution referred to in this Notice.

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.

SPP means the Company's share purchase plan dated 7 October 2021.

SPP Shares means Shares issued pursuant to the SPP.

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

VWAP means volume weighted average market price.

Explanatory Memorandum

ANNEXURE A – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

- (1) The holder of the Option ('Option holder') agrees to be bound by the terms of the Plan and the constitution of Archer Materials Limited ('Company'), both as amended from time to time.
- (2) Each Option will entitle the Option holder to subscribe for one fully paid ordinary share in the Company ('Share') (subject to possible adjustments under the Plan and paragraphs (12), (13) and (14) below).
- (3) Options will not vest and cannot be exercised unless all of the Exercise Conditions (if any) shown in the Share Option Key Details attached to the Invitation have been satisfied during the Measurement Period. The Exercise Condition may be waived or varied by the Board in accordance with the terms of the Plan.
- (4) Each Option is exercisable from the date of vesting until 5:00 pm (Adelaide time) on the Expiry Date shown on the Option Certificate given to the Option holder by the Company ('Certificate'). Options not exercised before the Expiry Date will lapse.
- (5) The Exercise Price of each Option is shown on the Certificate.
- (6) Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (7) Some or all of the Options may be exercised at any one time or times after the Vesting Date and prior to the Expiry Date provided that no less than 100,000 Options are exercised at any one time.
- (8) Shares issued pursuant to the valid exercise of any of the Options will rank in all respects on equal terms with the existing Shares in the Company.
- (9) For so long as the Shares of the Company are listed on ASX, the Company will apply for official quotation by ASX of the Shares issued upon exercise of Incentive Options within five business days of the allotment of Shares.
- (10) The Options will not be quoted on ASX.
- (11) The Option holder must not Transfer or grant any Security Interest over or otherwise deal or otherwise dispose of an Option, other than in accordance with the rules of the Plan.
- (12) If there is a bonus issue to the holders of Shares, then the number of Shares over which the Option is exercisable will be adjusted in accordance with the rules of the Plan.
- (13) If the Company makes a rights issue (other than a bonus issue), then the Exercise Price of Incentive Options on issue will be reduced in accordance with the requirements of the ASX Listing Rules.
- (14) If, prior to the Expiry Date the issued capital of the Company is reorganised, then the rights of the Option holders may be varied to comply with the Plan and the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (15) In the event of a conflict or inconsistency between:
 - (a) the rules of the Plan and these Share Option Terms and Conditions, then the provisions of the Plan will prevail to the extent of the conflict or inconsistency; or
 - (b) the relevant Invitation and the Certificate (including the Option Key Details attached to the Certificate), then the terms of the Invitation will prevail to the extent of the conflict or inconsistency.

Capitalised terms defined in the Plan shall have the same meaning when used in these Option Terms and Conditions.



ARCHER



Archer Materials Limited

ABN: 64 123 993 233

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact

AXE



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Adelaide time) on Monday, 22 November 2021**.

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.

☐ **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 Offices of Grant Thornton Australia Limited, Level 3, 170 Frome Street, Adelaide, South Australia 5000 and online at <https://web.lumiagm.com/355097517> on Wednesday, 24 November 2021 at 10:00am (Adelaide 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, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 5, 6, 7 and 8 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, 5, 6, 7 and 8 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 Election of Bernadette Mary Harkin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Placement Shares issued on 8 October 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of SPP Shares issued on or about 27 October 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to issue Incentive Options to the CEO and Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to issue Incentive Options to Director Gregory English	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue Incentive Options to Director Bernadette Harkin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to issue Incentive Options to Director Kenneth Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 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

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

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