

ASX Announcement (ASX:AXE)

27 March 2020

Materials technology and mineral exploration update

Highlights

- Archer's strategic execution priorities are currently not anticipated to be significantly impacted by the COVID-19 pandemic.
 - Archer is able to fund existing materials technology development milestones, including its ¹²CQ quantum computing chip technology.
 - Mineral exploration of the Company's Halloysite-Kaolin projects is not immediately reliant on drilling or field work.
 - The Company is well capitalised and expects to report approximately \$2.2 million and no debt as at 31 March 2020.
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Archer Materials Limited ("Archer", the "Company", ASX:AXE) is pleased to update shareholders on the tactical steps and direction being taken by the Archer team to build an industry-leading materials technology company in the wake of the COVID-19 pandemic.

Despite the COVID-19 pandemic the Company continues to work on its strategic execution priorities and specific ongoing value-add activities during this period are:

+ **Commercialising the ¹²CQ quantum computing chip**

International patent application and intellectual property (IP) prosecution, world-first chip assembly and testing, and engagement with quantum computing industry partners.

+ **Patenting printable graphene biosensors**

Early-stage international patent application and IP prosecution and sequentially building proof-of-concept devices with co-development partners.

+ **Integrating the Campoona graphite project**

Producing and testing high-value downstream graphite materials for use in the lithium-ion battery supply-chain and identification of project co-development partners.

+ **Monetising our mineral exploration tenements**

High-value mineral identification and validation of halloysite and kaolin in South Australian tenement areas, and beneficiation and downstream customer appraisals.

The Company has access to over \$300 million of state-of-art R&D infrastructure to build materials technology and analyse/test mineral compositions in Australia and Europe, which mostly remain open and are not related to University teaching. Archer has in-house expertise to manage its tenement portfolio and advance the technological and commercial development of its materials technology, while the Company's patent and IP prosecution is performed through a number of well-regarded legal firms in Australia and New Zealand that remain operational.

Commenting on forecasted activities, Archer CEO Dr Mohammad Choucair said, “Archer is not single-point sensitive in any one of its materials technology and mineral exploration projects milestones. Over the past 12 months we have strengthened our capabilities and the Company’s financial position and operations to counter exogeneous impacts like that of COVID-19.

“The Company is in a good cash position having successfully raised \$2.0 million in December 2019 to execute on our strategy. We anticipate only minor delays to our critical commercial pathways. We will continue to advance the prosecution of Archer’s IP and seek to engage in new commercial partnerships, which also includes monetising our exploration assets.”

“Successfully executing on our overall strategy requires getting the sequence of our activities right while preserving cash. We are confident that we can do this as we have international collaborations and extensive facilities access to achieve development related milestones that are not all affected [by COVID-19] at the same time and at the same rate.”

In response to the COVID-19 pandemic, the organisers of the [Quantum Tech conference](#) in London have postponed the event and are in the process of confirming the new dates. Archer was to Chair an entire session on Quantum Computing at the event (see ASX Announcement 28 Nov 2019), which has now been carried over to the next event. Archer continues to make significant progress towards developing its ¹²CQ quantum computing chip technology.

About Archer

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

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

General Enquiries

Mr Greg English
Executive Chairman

Dr Mohammad Choucair
Chief Executive Officer

Tel: +61 8 8272 3288

Media Enquiries

Mr James Galvin
Communications Officer
Email: hello@archerx.com.au
Tel: +61 2 8091 3240

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

Website:

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

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