

ASX Announcement (ASX:AXE)

1 June 2020

Share Purchase Plan Offer Document

Archer Materials Limited (“Archer”, “Company”) confirms that the its Share Purchase Plan (“SPP”, “Plan”) is now open and the attached SPP offer document (“SPP Offer Document”) will be available to eligible shareholders today.

The key dates for the SPP are set out below.

Event	Date *
Record Date (7:00pm AEST)	Wednesday, 27 May 2020
Announcement Date of Plan	Thursday, 28 May 2020
Opening Date of Plan	Monday, 1 June 2020
Despatch of hardcopy Offer document	Wednesday, 3 June 2020
Closing Date of Plan (5:00pm AEST)*	Monday, 22 June 2020
Allotment and Issue of New Shares under the Plan*	Tuesday, 30 June 2020

* These dates are indicative only. The Company may vary the dates and times of the SPP by lodging a revised notice with ASX. Eligible Shareholders are encouraged to submit their applications early as the Directors reserve the right to close the SPP early if oversubscribed.

If you are an eligible shareholder and wish to participate in the SPP, you can apply by using the BPAY® information provided on your personalised Application Form, or by completing your personalised Application Form and returning it with an accompanying cheque. The SPP Offer Document, which includes a personalised Application Form, will be made available to eligible shareholders by the following methods:

- Shareholders who have previously registered to receive Company correspondence electronically should receive an email later this afternoon with links to retrieve the documents electronically.
- All Shareholders can log in to Computershare Investor Centre and retrieve their personalised documentation.
- Hardcopy documents will be sent by post on Wednesday, 3 June 2020, to all eligible shareholders who have not previously registered to receive company correspondence electronically.

About Archer

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

For further information, please contact: +

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

General Enquiries

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Executive Chairman

Dr Mohammad Choucair
Chief Executive Officer

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Company Secretary

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Media Enquiries

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

Website:

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

Twitter:

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

YouTube:

<https://bit.ly/2UKBBmG>

Medium:

<https://medium.com/@ArcherX>

Sign up to our Newsletter:

<http://eepurl.com/dKosXI>

1 June 2020

Letter from the Chairman (Share Purchase Plan)

Dear Shareholder,

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

We have also had early success in mineral exploration, and in particular, the development of our Franklyn Halloysite-Kaolin Project, with pilot plant processing due to be completed next month. There is so much to look forward to at Archer in the year ahead, from both our Advanced Materials and Mineral Exploration developments.

Due to the success of our work to date and with COVID-19 restrictions coming to an end, we have made the decision to increase the pace of our development work and to start hiring additional staff. As a result, the Board made the decision to undertake a Share Purchase Plan ("SPP") (ASX announcement 28 May 2020) to raise \$3,000,000. Please note that if total demand for the SPP exceeds \$3,000,000, then the Board reserves the right to close the SPP early and scale back applications or elect to increase the amount raised under the SPP.

As you are an Archer Materials Limited shareholder, I am pleased to offer you the opportunity to participate in the SPP which will help support the growth of the Company over the coming year. The SPP allows eligible Archer shareholders with a registered address in Australia or New Zealand to subscribe for up to \$30,000 worth of new, fully paid ordinary shares in Archer ("New Shares") without incurring brokerage or other transaction costs.

The SPP provides you with the opportunity to increase your holding of Archer shares. You may apply for New Shares in a parcel with a dollar value of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000. New Shares will be issued under the SPP at a price of \$0.60 (60 cents) each which represents a discount of:

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

Shareholders who participated in the Company's November 2019 Share Purchase Plan ("2019 SPP") are eligible to participate in this SPP however, you cannot apply for more than \$30,000 of shares in aggregate. For example, if you were issued \$10,000 of shares in the 2019 SPP, then you can only apply for a maximum of \$20,000 of new shares under this SPP. Your personalised application form will show the maximum value of new shares you can apply for under the 2020 SPP.

Participation in the SPP is entirely voluntary. If you do not wish to participate in the SPP, then you do not need to take any action.

Details of the SPP are set out in the Terms and Conditions and the personalised application form enclosed with this letter. The Board urges you to read the Terms and Conditions and personalised application form carefully and in their entirety before deciding whether or not to participate in the SPP.

If you are uncertain whether New Shares are a suitable investment for you, then you should consult your financial or other professional adviser.

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company and to continue your support for the great technological challenges, like quantum computing, that more and more people around the world are working to solve with the brilliant innovators who are leading the way at Archer.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Greg English', written in a cursive style.

Greg English
Executive Chairman
Archer Materials Limited

Share Purchase Plan - Terms and Conditions

This document sets out the Terms and Conditions of the Archer Materials Limited Share Purchase Plan (“Plan” or “SPP”) and is binding on any Eligible Shareholder completing and lodging an Application Form or making payment by BPay®.

1. Frequently asked questions

Set out below are answers to some key questions that you may have about the Plan. This table is qualified by and should be read in conjunction with the remaining Terms and Conditions described in this document.

Question	Answer
What is the SPP?	The Offer enables Eligible Shareholders to apply to purchase up to A\$30,000 worth of new fully paid ordinary shares in Archer at \$0.60 per Share without paying any brokerage or other charges.
How much will Archer raise under the SPP?	The SPP is targeting to raise \$3,000,000. However, the Company reserves absolute discretion regarding the final amount raised under the Plan and if the Company receives Applications for more than \$3,000,000, then the Company may elect to either scale back Applications or increase the amount to be raised.
How long is the SPP offer open for?	The SPP opens at 9am (AEST) on Monday, 1 June 2020 and closes at 5pm (AEST) on Monday, 22 June 2020. If you want to participate in the SPP you should ensure that the Registry receives payment by no later than 5pm (AEST) on Monday, 22 June 2020 (the Closing Date for the SPP). You should be aware that the Company has the right to either close the SPP early or to extend the Closing Date.
Do I have to participate in the SPP?	Participation in the SPP is optional. If you choose to do nothing, then you will not participate in the SPP.
Can my offer under the SPP be transferred to a third party?	No. Your rights under the SPP are personal to you and non-renounceable, so you may not transfer them.
Am I eligible to participate?	You are eligible to participate if you: <ul style="list-style-type: none"> were a holder of Shares at 7:00pm (AEST) on 27 May 2020 (being the Record Date); and your registered address on the Record Date is in Australia or New Zealand. Certain Eligible Shareholders who are custodians holding Shares on behalf of certain beneficiaries are also able to participate in the SPP in accordance with the Terms and Conditions.
If I participated in Archer’s 2019 SPP, then can I also participate in this SPP?	Any Eligible Shareholder who participated in Archer’s November 2019 share purchase plan (“2019 SPP”) and was allotted less than \$30,000 of shares under the 2019 SPP is also entitled to participate in this SPP subject to the limitations explained below.

Question	Answer
<p>What is the maximum number of shares I can apply for under the SPP?</p>	<p>If you are an Eligible Shareholder who:</p> <ul style="list-style-type: none"> • did <u>not</u> participate in the 2019 SPP, then you are entitled to apply for up to \$30,000 of new shares under the SPP regardless of the number of Shares you currently hold; or • did participate in the 2019 SPP, then you are limited to a maximum of \$30,000 of new shares for both the 2019 SPP and this SPP. For example, if you were allocated \$20,000 of new shares under the 2019 SPP, then you may only apply for a maximum of \$10,000 new shares under this SPP. Your personalised Application Form will show the maximum value of new shares you can apply for under this SPP.
<p>How many Shares can I apply for under the SPP?</p>	<p>Subject to the limitations described in the paragraph above, Eligible Shareholders are required to apply for New Shares under the SPP in any of the following set amounts: \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, in applying for New Shares, regardless of the number of Shares you currently hold. These amounts may be subject to scale back.</p> <p>If you make a payment for any amount other than one of the set amounts above, your Application may be rejected.</p>
<p>How do I apply for New Shares?</p>	<p>To apply for New Shares under the SPP you can either:</p> <p>Option 1: Pay by BPay®</p> <p>Make payment by BPay® as shown on the personalised Application Form sent to you. New Zealand based Eligible Shareholders cannot apply using BPay® unless they have an Australian bank account.</p> <p>Option 2: Pay by cheque or money order</p> <p>Complete and return the enclosed personalised Application Form together with a cheque or money order made payable to "Archer Materials Limited" as shown on the Application Form.</p> <p>Please note that if you choose to pay by cheque or money order, there is a risk that you may experience slower than expected postal delivery timeframes in the current COVID19 environment. Therefore, paying by BPAY, if possible, is the quickest method of payment.</p>
<p>How can I access my Application Form to apply for New Shares?</p>	<p>The SPP Offer Document, which includes a personalised Application Form, will be made available to eligible shareholders by the following methods:</p> <ul style="list-style-type: none"> • Shareholders who have previously registered to receive Company correspondence electronically should receive an email on Monday, 1 June 2020 with links to retrieve the documents electronically. • From Monday, 1 June 2020, Shareholders can log in to Computershare Investor Centre (https://www-au.computershare.com/Investor/#Home) and retrieve their personalised documentation. • The documents will be sent by post on Wednesday, 3 June 2020 to all eligible shareholders who have not previously registered to receive company correspondence electronically.
<p>How many New Shares will I receive?</p>	<p>In the absence of any scale back or a rejection of your Application, the number of New Shares that you will receive will be the number of New Shares for which you applied.</p> <p>If Archer, in its discretion, undertakes a scale back of Applications for New Shares, then you may receive less than the parcel of New Shares for which you have applied. Excess funds will be returned to applicants without interest.</p>
<p>When will I receive my New Shares?</p>	<p>New Shares are expected to be allotted on Tuesday, 30 June 2020 (being the Allotment Date).</p>

Question	Answer
Important Information	<p>You should be aware that although the offer price of \$0.60 (60 cents) per New Share is at a discount to the market price of Archer Shares on ASX as at the date the Plan was announced:</p> <ul style="list-style-type: none"> • <i>shares are a speculative investment;</i> • <i>there is a risk that the price of Shares on ASX may change between the date of this document and the date of issue of the New Shares under the SPP; and</i> • <i>the value of the New Shares received under the Plan may rise or fall accordingly.</i> <p>The Board recommends that you obtain your own financial advice in relation to the Offer under the SPP and consider price movements of Shares in the Company prior to making an Application under this SPP.</p>

2. Purpose

The Share Purchase Plan offers Eligible Shareholders of Archer Materials Limited the opportunity to subscribe for new fully paid ordinary shares in the Company, up to a maximum value of \$30,000 (subject to any discretionary scale backs and any restrictions imposed by law).

New Shares under the Plan will be issued at a price of \$0.60 (60 cents) each.

The SPP is targeting to raise \$3,000,000. If the Company receives Applications for an amount more than \$3,000,000, then the Company may elect to either scale back Applications or increase the amount to be raised under the SPP. In the event of a scale back, you will be allocated less than the number of New Shares that you applied for.

The SPP allows Eligible Shareholders to increase their investment in the Company by buying discounted New Shares at a fixed price without the need to pay brokerage and commission costs.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders cannot transfer their rights to any New Shares offered under the Plan).

3. Key dates

Record Date (7:00pm AEST)	Wednesday, 27 May 2020
Announcement Date of Plan	Thursday, 28 May 2020
Opening Date of Plan	Monday, 1 June 2020
Despatch of hardcopy Offer document	Wednesday, 3 June 2020
Closing Date of Plan (5:00pm AEST)*	Monday, 22 June 2020
Allotment and Issue of New Shares under the Plan*	Tuesday, 30 June 2020

* These dates are indicative only. The Company may vary the dates and times of the SPP by lodging a revised notice with ASX. Eligible Shareholders are encouraged to submit their Applications early as the Directors reserve the right to close the SPP early if oversubscribed.

4. Shareholders eligible to participate in the Plan

Holders of Shares that were registered on the Company share register as a holder of Shares at 7:00pm (AEST) on Wednesday, 27 May 2020 (**Record Date**) with an address in Australia or New Zealand are deemed eligible shareholders (**Eligible Shareholders**) and may participate in the Plan.

If you hold Shares on behalf of persons who reside outside Australia or New Zealand, or are in the United States, then you are not an Eligible Shareholder and are not entitled to participate in the Plan.

Details of how Custodians, trustees and beneficiaries are treated under the Plan are provided further below.

5. Joint holders/joint beneficiaries

If two or more persons are registered on the Company share register as jointly holding Shares, then they are taken to be a single registered holder of Shares and a certification given by any of them is taken to be a certification given by all of them. If the same joint holders receive more than one offer under the Plan due to multiple identical holdings, then the joint holders may only apply in aggregate up to the maximum amount of \$30,000.

6. Foreign offer restrictions

The Plan may not be released or distributed in any country other than Australia or New Zealand. The Plan does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country, other than Australia or New Zealand. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

7. New Zealand

The New Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand) (as amended by the *Financial Markets Conduct (Incidental Offers) Exemption Amendment Notice 2018*).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

8. How much can you invest?

Eligible Shareholders who did not participate in the 2019 SPP may apply for a maximum of \$30,000 and a minimum of \$2,500 worth of New Shares under the SPP.

An Eligible Shareholder who was issued shares under the 2019 SPP is limited to a maximum of \$30,000 under the 2019 SPP and this SPP. For example, if you were allocated \$20,000 of new shares under the 2019 SPP, then you may only apply for a maximum of \$10,000 New Shares under this SPP.

The above limitations apply even if you receive more than one Application Form, or if you hold Shares in more than one capacity. It is your responsibility to ensure that the number of shares issued to you under the 2019 SPP and this SPP does not exceed \$30,000 in aggregate.

Subject to the above, Eligible Shareholders may participate in the SPP by selecting one of the following offers to purchase New Shares under the Plan.

Subscription amount	Number of New Shares to be issued at issue price of \$0.60 (60 cents) per New Share
\$2,500	4,167
\$5,000	8,334
\$10,000	16,667
\$15,000	25,000
\$20,000	33,334
\$25,000	41,667
\$30,000	50,000

Note: Eligible Shareholders are encouraged to submit their Applications early as the Directors reserve the right to close the SPP early if oversubscribed.

If you apply for New Shares under the Plan, you are applying for a certain value of New Shares at the issue price of \$0.60 (60 cents), rather than a certain number of Shares. Fractional Shares will not be issued and any fraction of a Share will be rounded up to the nearest whole number of Shares.

9. New Share issue price

New Shares will be issued at \$0.60 (60 cents) each which represents a discount of:

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

You should note that the Archer share price may rise or fall between the date of this Offer and the date when New Shares are allotted and issued to you under the SPP. This means that the price you pay per New Share under this Offer may be either higher or lower than the Archer share price quoted on ASX at the time of the Offer or at the time the New Shares are issued and allotted to you under the SPP.

The Board recommends that you obtain your own financial advice in relation to the Offer under the SPP and consider price movements of Shares in the Company prior to making an Application under this SPP.

10. Application Forms

Applications for New Shares under the SPP can only be made using the personalised Application Form sent to all Eligible Shareholders or in the case of applying by BPay® using the customer reference number shown on the Application Form.

Eligible Shareholders may also access and securely download their personalised Application Form from Computershare's Investor Centre website at www.investorcentre.com/au by logging in as an Existing User or clicking on 'Access a Single Holding' and following the instructions.

The Application Form forms part of the Terms and Conditions for the purposes of the Plan and the Offer.

11. How do you apply for New Shares?

If you would like to subscribe for New Shares, then the following application and payment options are available:

(a) Payment by BPay®¹

Eligible Shareholders wishing to pay by BPay® must use the specific biller code and customer reference numbers detailed on their personalised Application Form.

If you choose to pay via BPay® you are not required to submit your Application Form.

Any Eligible Shareholder that chooses to pay by BPay® is deemed to represent to the Company that the amount of Shares subscribed for pursuant to the Plan, or any other arrangement similar to the Plan in the prior 12 months, does not exceed \$30,000 (including joint or any other beneficial interests).

Your payment will not be accepted after 5:00pm (AEST) on the Closing Date and no New Shares will be issued to you in respect of that Application. If you have multiple holdings you will have multiple BPay® customer reference numbers. To ensure you receive your New Shares under the Offer in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you inadvertently use the same Customer Reference Number for more than one of your Applications, you will be deemed to have applied only for the Application to which that Customer Reference Number applies and any excess amount will be refunded.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your

¹ ® Registered to BPAY Pty Ltd, ABN 69 079 137 518

own limit on the amount that can be paid via BPay®. It is your responsibility to check that the amount you wish to pay via BPay® does not exceed your limit.

Once an Application under the Plan has been made or your BPay® payment made, it cannot be revoked.

(b) Application Form and accompanying cheque

Eligible Shareholders wishing to pay by cheque must follow the instructions on the Application Form.

Eligible Shareholders should complete the Application Form, provide a cheque that is payable to “**Archer Materials Limited – Share Purchase Plan**” and crossed “**Not Negotiable**” and return the completed Application Form and cheque to:

Archer Materials Limited

C/- Computershare Investor Services Pty Ltd

GPO Box 505

Melbourne Victoria 3001, Australia

to be received by the share registry no later than 5.00pm (AEST) on the Closing Date.

12. Raising Amount and Scaleback

The Plan is targeting to raise \$3,000,000, however the Company reserves absolute discretion regarding the final amount raised under the Plan. If total demand for the SPP exceeds \$3,000,000, then the Company reserves the right to close the SPP early and scale back Applications or elect to increase the amount raised (subject to the maximum amount permitted under the ASX Listing Rules). When determining the amount (if any) by which to scale back an Application, the Company may take into account a number of factors, including the size of an applicant’s shareholding, the extent to which Eligible Shareholders have sold or bought additional Shares after the Record Date and the date an Application was made. Eligible Shareholders are therefore encouraged to submit their Applications early.

If there is a scale back, then you may not receive all the New Shares for which you have applied. If the Company rejects or scales-back an Application or purported Application, then the Company will promptly return to the Shareholder the relevant Application monies, without interest. If the amount received is less than the minimum Application amount of \$2,500 then Archer will not issue any New Shares to you and the money received from you will be refunded without interest.

Archer reserves the right to reject any Application for New Shares under the SPP that it believes does not comply with these Terms and Conditions.

13. Shortfall

In the event that less than \$3,000,000 is applied for under the SPP, then the full amount of the shortfall may be placed at the discretion of the Board subject to compliance with the necessary legal requirements. The Company confirms that any issue of shortfall will be placed subject to the Company’s compliance with ASX Listing Rule 7.1 and/or 7.1A at the time of issue. As at the Record Date, the Company has capacity to issue 30,002,436 Shares under its ASX Listing Rule 7.1 capacity and 21,334,957 Shares under its ASX Listing Rule 7.1A capacity. Where the shortfall exceeds the Company’s placement capacity, the shortfall will only be placed if shareholder approval is obtained. The Company confirms that New Shares issued under the Plan will be issued under the Company’s ASX Listing Rule 7.1A capacity. In the event the Company is unable to satisfy the criteria for issuing New Shares under ASX Listing Rule 7.1A at the time New Shares are issued, New Shares will be issued under the Company’s ASX Listing Rule 7.1 capacity.

14. Archer’s discretions regarding Applications

Archer has a broad discretion to accept or reject your Application to purchase New Shares under the SPP, including if:

- (a) your Application Form is incorrectly completed, incomplete or otherwise determined by Archer to be invalid;
- (b) your cheque, bank draft or money order is dishonoured or has not been completed correctly;

- (c) the cheque, bank draft or money order that you enclose with your Application Form is not made out for the exact amount as indicated on the Application Form;
- (d) your BPay® payment is not received or is incomplete or invalid by the Closing Date;
- (e) unless you are applying as a Custodian, it appears that you are applying to buy more than \$30,000 (in aggregate) of Shares under the SPP;
- (f) you are a Custodian, Archer is not satisfied with your certification for any reason, or if you have not provided certification in accordance with these Terms and Conditions;
- (g) cleared funds are not received until after the Closing Date. While Archer has the discretion to accept late Application Forms, cheques, bank drafts, money orders or BPay® payments, there is no assurance that it will do so. Late Application Forms and cheques, bank drafts or money orders, if not processed, will be returned to you at your registered address. Late BPay® payments may be returned to you by cheque (or any other method as Archer determines) to your registered address;
- (h) Archer has reason to believe that you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements); or
- (i) Archer is required to reject your Application under ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547.

15. Issue and Quotation of New Shares

New Shares to be issued under the Plan will rank equally in all respects with all other Shares from the date of issue and will be issued as soon as reasonably practicable after the Closing Date.

Shareholding statements or CHESS notification will be issued in respect of all New Shares issued under the Plan.

The Company will, promptly after the issue of New Shares under the Plan, make application for those New Shares to be listed for quotation on the official list of ASX. You should confirm your holding before trading in any New Shares you believe have been issued to you under the SPP.

16. Participation is optional

Participation in the SPP is entirely optional (subject to the eligibility criteria set out in these Terms and Conditions). If you do not wish to accept the offer under the SPP, then you do not need to take any action and the Offer will lapse on the Closing Date.

17. No Underwriting

The Plan is not underwritten.

18. Additional information to be provided by Custodians

If you are an Eligible Shareholder and hold Shares as a Custodian (as defined in ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan, then you may apply for up to the maximum of New Shares for each beneficiary for whom you act as Custodian provided you annexe to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you held Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;

- (e) that the application price for New Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$30,000;
- (f) that a copy of the written offer document was given to each beneficiary; and
- (g) where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries. To request a Custodian Certificate, you should contact Computershare Investor Services Pty Limited and if you would like further information on how to apply, please contact Mr Damien Connor, Archer Materials Limited Company Secretary on +61 8 8272 3288.

19. Definition of Custodian

For the purposes of ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547 you are a 'Custodian' if you are a registered holder that:

- (a) holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- (b) is exempt from holding an Australian financial services licence by virtue of:
 - (i) paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (Cth) (the **Regulations**);
 - (ii) paragraph 7.6.01(1)(na) of the Regulations;
 - (iii) ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 14/1001];
 - (iv) Schedule 2 to the ASIC Corporations (Repeal and Transitional) Instrument 2016/396;
 - (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iv) or any of the ASIC Class Orders repealed by that legislative instrument; or
 - (vi) paragraph 911A(2)(h) of the *Corporations Act 2001* (Cth); or
- (c) is a trustee of a self-managed superannuation fund or a superannuation master trust;
- (d) is a responsible entity of IDPS like schemes; or
- (e) is noted on the Company's register of members as holding the Shares on account of another person.

20. Trustees and nominees

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, then you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

21. Modification and Termination of the Plan

The Company may modify or terminate the Plan, or waive strict compliance with any of the Terms and Conditions, at any time and any modification, waiver or termination is binding on all Eligible Shareholders even where the Company does not notify you of that event.

In the event the Plan is terminated before the issue of New Shares, all application monies will be returned to you, without interest, by direct credit to your nominated account as recorded on the Company's share register or cheque to your address as shown on the Company's share register as soon as practicable.

Without limiting the above, the Company may issue to any person fewer New Shares than the person applied for under the Plan if the issue of the New Shares applied for would contravene any applicable law or the Listing Rules of ASX or ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547.

22. ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547 compliance

The SPP offer of New Shares is made in accordance with ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547, which grants relief from the requirement to prepare a prospectus for the SPP offer of New Shares.

23. Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, Application or New Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these conditions may be exercised by the Directors or any delegate of the Directors.

24. Governing Law

The Terms and Conditions and the Offer under the Plan are governed by the laws of South Australia.

25. Important Information

Before you apply for New Shares under the Plan, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the Plan (taking into account your own financial situation, needs and objectives).

The Company and its officers make no recommendation about whether or not you should apply for New Shares under the Plan and nothing in these Terms and Conditions (including the Application Form) or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the Plan.

26. Acknowledgements

By making payment (including through BPay®) or returning an Application Form or Custodian Certificate, you certify, acknowledge, warrant and represent as true, correct and not misleading to Archer that:

- (a) you have read and accepted the Terms and Conditions in full;
- (b) you declare that all details and statements in your Application are true and complete and not misleading;
- (c) your Application, under the Terms and Conditions of the SPP set out in this document (including the Application Form and Custodian Certificate), will be irrevocable and unconditional (i.e. it cannot be withdrawn);
- (d) as at the Record Date, you were recorded on Archer's share register as being a registered holder of Archer Shares and having an address in Australia or New Zealand;
- (e) if you have a registered address in New Zealand, you continued to hold Shares as at the Record Date on 27 May 2020;
- (f) you and each person for whose account or benefit you are acting is not in the United States and is not a U.S. Person, or acting for the account or benefit of a U.S. Person;
- (g) you acknowledge that the New Shares have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and the New Shares may not be offered, sold or otherwise transferred unless an exemption from the registration requirements of the U.S. Securities Act is available;
- (h) you represent that you have not, and you agree that you will not, send any materials relating to the SPP to any person in the United States or to any person who is, or is acting for the account or benefit of, a U.S. Person;
- (i) you are not applying for New Shares with an aggregate Application value, when aggregated with the Application value of any Shares issued to you or a Custodian on your behalf under the SPP or similar arrangement in the previous 12 months (including the 2019 SPP), of more than \$30,000 under the SPP (including by instructing a Custodian to acquire New Shares on your behalf under the SPP), and you are complying with the limitations detailed in these Terms and Conditions;

- (j) the total of the Application price for the following does not exceed \$30,000:
 - (i) the Shares the subject of the Application;
 - (ii) any Shares issued to you under the 2019 SPP;
 - (iii) any other Shares issued to you under the Plan or any similar arrangement in the 12 months before the Application;
 - (iv) any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
 - (v) any other Shares issued to a Custodian in the 12 months before the Application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the Plan.
- (k) if you are a Custodian and are applying on behalf of a Beneficiary on whose behalf you hold Shares:
 - (i) you are a Custodian (as that term is defined in ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547);
 - (ii) either or both of the following apply (as applicable):
 - (A) that on the Record Date you held Shares on behalf of one or more other persons (each a Beneficiary) that are not Custodians;
 - (B) that on the Record Date another Custodian (**Downstream Custodian**) held beneficial interests in Archer Shares on behalf of one or more other persons (each a Beneficiary), and you hold the shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian;
 - (iii) each Beneficiary has subsequently instructed either you or the Downstream Custodian (as applicable) to apply for New Shares on their behalf under the SPP;
 - (iv) details of the number of Beneficiaries instructing you to participate, the name and address of each Beneficiary and in respect of each such Beneficiary:
 - (A) the number of Shares that you hold on behalf of that Beneficiary; and
 - (B) the dollar amount of New Shares that the Beneficiary, or its agent, has instructed you to accept on behalf of the Beneficiary;

as set out in the Application Form or the Custodian Certificate and Schedule, is true and correct;
 - (v) there are no Beneficiaries in respect of whom the total of the application value for (a) the New Shares applied for by you under the SPP on their behalf; and (b) any Archer Shares issued to you in the previous 12 months as a result of an instruction given by the Beneficiary to you or a Downstream Custodian to apply for Archer Shares on their behalf under an arrangement similar to the SPP, exceeds \$30,000; and
 - (vi) a copy of these Terms and Conditions were given to each Beneficiary;
- (l) you may be offered New Shares pursuant to the SPP in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable laws;
- (m) you accept the risk associated with any refund that may be despatched to you by direct credit or cheque to your address shown on Archer's share register;
- (n) you are responsible for any dishonour fees or other costs Archer may incur in presenting a cheque for payment which is dishonoured;
- (o) you agree to be bound by the provisions of the Constitution of Archer (as amended and as it may be amended from time to time in the future);
- (p) you authorise Archer and its affiliates, officers and representatives to do anything on your behalf necessary for New Shares to be issued to you in accordance with these Terms and Conditions;

- (q) you authorise Archer (and its officers and agents) to correct minor or easily rectified errors in, or omissions from, your Application and to complete the Application by the insertion of any missing minor detail; and
- (r) Archer may at any time irrevocably determine that your Application is valid in accordance with these Terms and Conditions, even if the Application is incomplete, contains errors or is otherwise defective.

27. Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser, or Mr Damien Connor, Archer Materials Limited Company Secretary on +61 8 8272 3288.

28. Glossary

2019 SPP means the share purchase plan undertaken by Archer in November 2019.

Application means a correctly completed and submitted Application Form and attached application monies, or a payment via BPAY.

Application Form means the application form that accompanies this Share Purchase Plan. This may include a deemed application form in the same terms, where a valid BPAY payment is made.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange.

Board means the board of Directors of Archer Materials Limited.

Closing Date means 5:00pm (AEST) on Monday, 22 June 2020 or such other date determined by the Board.

Company or Archer means Archer Materials Limited ACN 123 993 233.

Custodian has the meaning given in section 19 of these Terms and Conditions.

Custodian Certificate means the certificate outlined in section 18 of the Terms and Conditions of the Plan.

Directors means the directors of the Company.

Eligible Shareholder means a registered Shareholder with an address in Australia or New Zealand as at the Record Date.

Listing Rules means the Listing Rules of the ASX.

New Shares means the new Shares offered under the SPP.

Offer means the offer of New Shares under the SPP priced at \$0.60 (60 cents) per New Share.

Record Date means 7:00pm (AEST) on Wednesday, 27 May 2020.

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

SPP or Plan means the Share Purchase Plan offered by the Company to Eligible Shareholders.

Terms and Conditions means the terms and conditions contained in the SPP, including these definitions and the Application Form.

For all enquiries:

Phone:

(within Australia) 08 8272 3288

(outside Australia) +61 8 8272 3288

Web:

www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

Your payment must be received by 5:00pm (AEST) Monday, 22 June 2020

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Archer Materials Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Archer Materials Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$30,000.

Archer Materials Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Archer Materials Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Archer Materials Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Archer Materials Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Archer Materials Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Archer Materials Limited Share Purchase Plan Application Form
Payment must be received by 5:00pm (AEST) Monday, 22 June 2020

© Registered to BPAY Pty Limited ABN 69 079 137 518

Turn over for details of the Offer →

Share Purchase Plan Application Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Record date:

27 May 2020

Minimum value
available to purchase:

\$2,500.00

Maximum value
available to purchase:

The maximum you can apply for under this SPP has been reduced by the dollar value of the shares allocated to you in the SPP announced in November 2019.

STEP 2

Make Your Payment



Billers Code: 321034
Ref No:

Pay by Mail:



Make your cheque, bank draft or money order payable to "**Archer Materials Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEST) Monday, 22 June 2020. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Archer Materials Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEST) Monday, 22 June 2020. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Archer Materials Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Purchase Details for Archer Materials Limited (choose one option)

\$2,500 worth of securities OR \$5,000 worth of securities OR \$10,000 worth of securities

\$15,000 worth of securities OR \$20,000 worth of securities OR \$25,000 worth of securities

\$30,000 worth of securities

Entitlement No:

Payment must be received by 5:00pm (AEST) Monday, 22 June 2020

Contact Details

Contact
Name

Daytime

Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$