

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

18 June 2021

## Completion of sale of Eyre Peninsula tenements

### Highlights

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- The sale of the two Eyre Peninsula tenements to NextGen Materials (“NextGen”) has completed, with Archer receiving 9.25 million NextGen shares.
  - Archer is entitled to receive an additional bonus payment equal to 5% of the enterprise value of NextGen at the time of ASX listing.
  - Shareholders to retain exposure to any exploration success on the NextGen tenements through Archer’s NextGen shareholding and the 2% net smelter return royalty granted to Archer.
  - Archer has sold all of its remaining tenements to iTech Minerals Pty Ltd (“iTech”). iTech expects to list on ASX by the end of September 2021. A notice of meeting seeking shareholder approval to the iTech transaction to be lodged with ASIC and ASX in the coming weeks.
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Archer Materials Limited (“Archer”, the “Company”, “[ASX:AXE](#)”) is pleased to announce that it has completed the sale and purchase of the Wadikkee and Carappee Hill tenements to NextGen Materials Pty Ltd (“NextGen”). At completion, the Company received 9.25 million NextGen shares at an issue price of \$0.20 per share for a total value of \$1.85 million.

The terms of the sale NextGen sale agreement were detailed in two ASX announcements (ASX ann. [22 Dec 2020](#) and [15 Mar 2021](#)). In summary, the purchase price payable by NextGen for the purchase of the two Eyre Peninsula tenements (“NextGen Tenements”) is:

- payment of \$2.0 million. Archer has previously received \$150,000 cash and, at completion, received the remaining \$1.85 million paid in NextGen shares; plus
- bonus payment equal to 5% of the enterprise value of NextGen at the time of ASX listing, paid in cash or shares at the election of NextGen; plus
- a 2% Net Smelter Return royalty (“Royalty”) on the value of all minerals (excluding graphite) extracted from the NextGen Tenements.

NextGen expects to lodge a prospectus with ASIC in the coming weeks and ASX listing by the end of September 2021.

### iTech Minerals transaction

The iTech transaction was described in a previous ASX announcement (ASX ann. [12 Apr 2021](#)). Archer has agreed to sell the Graphite Rights and all of the Company’s remaining mineral tenements (excluding the NextGen tenements) to iTech Minerals Pty Ltd (together the “iTech Assets”). Completion of the iTech transaction is subject to the satisfaction or waiver of certain conditions precedent (**Conditions**), including the iTech IPO and ASX listing and Archer

shareholder approval. The cut off date for the satisfaction or waiver of the Conditions has been extended from 31 July 2021 to 30 September 2021 to give iTech more time to finalise the prospectus and Archer time to finalise the notice of meeting for Archer shareholder approval.

At the completion of the sale and purchase of the iTech Assets, Archer will receive 50 million ordinary shares in the capital of iTech. iTech intends to undertake an initial public offering at \$0.20 per new iTech share and list on ASX.

As previously announced, the Company intends to distribute all 50 million iTech shares to Archer shareholders on a pro-rata basis. This means that Company shareholders will receive approximately one new iTech share for every 4.6 Archer shares held at the record date. The exact ratio may vary and will be dependent on the number of Archer shares on issue at the record date and the effects of rounding partial entitlements.

The sale of the iTech Assets will be subject to Archer shareholder approval at a general meeting ("Meeting"). At this stage, the Company intends to hold the Meeting in early August 2021.

### **Reason for the sale of the tenements**

The sale of the tenements to iTech and NextGen will allow Archer to be technology focussed. Archer is the only ASX listed company that gives investors exposure to the fast-growing world of quantum computing. The Company is developing a world-first quantum computing qubit processor chip, <sup>12</sup>CQ, and is successfully validating the technology's global competitive advantage that includes integration and end-use in mobile devices.

### **About Archer and the <sup>12</sup>CQ quantum computing chip**

Archer is a technology company that builds advanced semiconductor devices, including processor chips relevant to quantum computing. <sup>12</sup>CQ is a world-first qubit processor technology that Archer is building to enable quantum computing powered devices for mobile and data-centric applications.

For more information, please view Archer's [corporate presentation](#).

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

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