ARCHER

Annual Report

FOR THE YEAR ENDED 30 JUNE 2021

Archer Materials Limited (ABN 64 123 993 233)

TABLE OF CONTENTS

CHAIRMAN'S LETTER

We are now a pure technology-focused company committed to developing our 12CQ quantum computing chip and 'lab-on-a-chip' biochip technologies.

In last year's Chairman's Letter, I reported how we had accelerated our transition from mineral exploration toward materials technology. I am pleased to report that we have now completed the transition. We are now a pure technology-focused company committed to developing our 12CQ quantum computing chip and 'lab-on- a-chip' biochip technologies.

Archer is developing these advanced semiconductor devices for commercialisation in the multibillion-dollar global quantum technology and human health industries.

The Company has now consolidated its technology development to operate out of a world-class semiconductor research and prototyping foundry in Sydney, and linked nodes of Australian technology development facilities. Archer's strategic access to institutional deep-tech infrastructure allows the Company to develop both the 12CQ chip and biochip.

The 12CQ chip is a world-first qubit processor technology that Archer aims to build for quantum computing operation at room temperature and integration onboard modern electronic devices, to potentially allow for quantum powered mobile devices.

The first steps in developing the 12CQ chip are to model the qubit behaviour so that the chip design can be optimised, and then show that individual qubits can be controlled to perform quantum calculations.

Chairman's Letter

We have made considerable progress in modelling qubit behaviour and the control of qubits, and the control measurements going forward would be a world-first, particularly for solid-state, non-optical quantum computing systems.

We continued to seek and strengthen collaborations with quantum computing companies and potential end-users of our technologies to help advance our development. We signed a new agreement with IBM, allowing us to retain membership to the global IBM Quantum Network and the associated IBM Quantum Startup Program, and to progress the work initiated under the previous agreement.

In addition to the IBM agreement, we began working with Max Kelsen, another Australian member of the IBM Quantum Network, on possible end-use cases for the 12CQ chip. The collaboration has so far involved adapting a unique class of quantum algorithms for potential 'big-data' related applications of quantum computing.

We also signed a non-binding letter of intent (LOI) with the Australian Missile Corporation Pty Ltd, a wholly owned subsidiary of Australian Defence Prime Contractor NIOA. By signing the LOI, Archer confirmed its interest in cooperating with the AMC to help fulfil the Australian Government's long-term vision of developing sovereign Australian defence industrial capabilities.

Archer's biochip is at an earlier stage of development than the 12CQ chip. The biochip is nestled within the product category of MEMS/Sensor devices in the semiconductor industry.

Our biochip design principles involve using proprietary graphene-based materials to form the critical sensing elements in 'lab-on-a-chip' technology. One of the most significant technological barriers to commercialising such devices involve nanofabrication; another is in assembling a talented multidisciplinary team. These are the current focus of Archer of our biochip development.

As we develop our technology and move toward commercialisation, intellectual property (IP) protection, and specifically patents, will also become crucial. Patents would give us the right to stop others from manufacturing, using and/or selling our technologies in the relevant jurisdictions without our permission.

In 2018, we entered into a License Agreement with the University of Sydney that gives Archer the exclusive right to use, develop and commercialise IP associated to the 12CQ chip. Patent applications were initially lodged in late 2015 by the University of Sydney, and this year the first patent was granted in Japan after substantive examination procedures.

We are working through the patent application procedures in Europe, Hong Kong, and Australia, after having patents granted in China, South Korea, Japan and the United States of America.

Our strategic focus on technology continued with the completion of the sale of the Leigh Creek Magnesite Project, the Kelly Tank and Jamieson Tank Projects, and an agreement with iTech Minerals Ltd for the conditional sale of all of our remaining mineral tenements. Upon completion of the iTech sale, Archer will no longer hold any mineral tenements or projects.

Upon completion of the iTech sale, the Company will receive 50 million iTech shares which we intend to pass on to Archer shareholders through a pro-rata in-specie distribution. Archer will not hold any iTech shares after the completion of the in-specie distribution. However, Archer will keep the 2.0% net smelter return (NSR) royalty granted on the Jamieson Tank and Kelly Tank Projects.

Our evolution from a mineral exploration company to a deep technology company has been years in the making and resulted in a change to the composition of our board of directors.

Chairman's Letter

In October 2020, Paul Rix resigned as a director. Paul was instrumental in the design and implementation of the 300-tonne magnesite bulk trial undertaken by Archer at the Whyalla Steelworks in 2016, which allowed Archer to maximise the sale price of the Leigh Creek Magnesite Project.

Ken Williams was appointed to the board on 28 September 2020 and was elected by shareholders at our 2020 Annual General Meeting. Ken, based in Adelaide, has over 30 years of experience in corporate finance and has held senior executive, director, and Chair positions with leading ASX companies.

At the time of writing, Dr Alice McCleary announced her retirement from the board, to take effect at the 2021 Annual General Meeting scheduled for 24 November 2021. Alice was a founding director of Archer and was involved in the transition of Archer to a deep tech company. Both Alice and Paul were valuable contributors and will be missed.

As a technology company, the people we employ are just as important to Archer's growth and success as our technologies. Our CEO, Dr Mohammad Choucair, is hiring technology-focused experts and technicians, and this work will continue into 2022. We have achieved a significant amount in the past two years and are well-positioned for an exciting future.

We take this opportunity to thank all our employees for their dedication and energy in making 2021 a success. We also express our gratitude to our partners, who provide us with the laboratories, tools, and equipment to do our work. Finally, we thank our shareholders for your continued support, trust and confidence.

GREG ENGLISH
EXECUTIVE CHAIRMAN

Adelaide
Dated this 23rd day of September 2021

Operating and Financial Review

STRATEGY

Archer is a technology company that operates within the semiconductor industry. The Company aims to develop and commercialise advanced semiconductor devices, including chips relevant to quantum computing and medical diagnostics.

In 2020/21 the Company:

- Successfully achieved electronic transport in a single qubit, and built and tested qubit components and control devices, to progress the development of the 12CQ quantum computing chip.
- Progressed international patent applications in Australasia, the EU, and US, and having a Japanese patent granted in relation to the 12CQ chip technology.
- Gained commercial access to world class semiconductor research and prototyping infrastructure and facilities, and technical experts in Australia and internationally to develop Archer's deep tech.
- Signed a new quantum computing agreement with IBM which supports Archer's plans to use Qiskit as the software stack for the 12CQ chip technology and retained membership to the invite-only global IBM Quantum Network and associated IBM Quantum Startup Program.
- Commenced building biosensing components of the Company's graphene-based biochip technology in an Australian semiconductor research and prototype foundry.
- Completed the sale of the Leigh Creek Magnesite Project, the Kelly Tank and Jamieson Tank Projects, and signed an agreement with iTech Minerals Ltd. for the conditional sale of all of Archer's remaining mineral tenements.

In 2021/22, Archer's growth involves:

- Progressing its world-first technology development, including its 12CQ quantum computing chip and graphene-based lab-on-a-chip biochip.
- Utilising world-class technology development infrastructure and facilities, R&D, people, and IP, to support pre-market development.
- Protecting intellectual property assets (e.g. patents and international patent applications) with global competitive advantages underpinning the Company's technology.
- Establishing and strengthening commercial partnerships advancing the Company's technology, including contributing to global networks coordinated by multinational technology companies.
- Hiring new staff to expedite the development of the Company's technology.
- Completing the sale of the Company's remaining mineral exploration tenements. With the sale of the Company's remaining mineral exploration tenements, Archer will focus on themes of Quantum Technology and Human Health, and no longer pursue the theme of Reliable Energy.

SUMMARY OF FINANCIAL PERFORMANCE

The net loss of the Group for the year ended 30 June 2021 was $6,593,262 (2020: $2,816,890) after accounting for R&D tax concession income of $467,662 (2020: $238,859) and includes:

- net loss for the year from discontinued operations of $3,786,351 (30 June 2020: $240,173). Refer Note 18;
- unreaslised loss associated with the fair value adjustment of Archer's share investments in Volatus Capital Corp as at 30 June 2021 ($1,796,488); and
- share based payments expense of $404,250 representing the fair value of unlisted options; issued during the year (30 June 2020: $997,000).

The above expense items were offset by the gain on sale of exploration assets to ChemX Materials Ltd ($1,661,737).

During the year ended 30 June 2021 the Group's net cash position decreased by $1,875,583 from $8,114,682 (1 July 2020) to $6,239,099 (30 June 2021) and the Group has no corporate debt.

This net decrease in cash was predominantly influenced by cash outflows associated with:

- direct expenditure on advance materials & technology activities ($974,024);
- intellectual property assets and plant & equipment ($97,076);
- corporate, administration and wages (net of allocations to advance materials & technology activities) expenditure ($1,569,847); and
- outflows from discontinued operations ($337,067). Refer Note 18.

These outflows were offset by inflows associated with:

- the exercise of unlisted options ($607,967);
- receipt of a research and development tax incentive ($235,859);
- receipt of an innovation grant ($47,129);
- cash consideration relating to the sale of exploration assets to ChemX Materials Ltd ($150,000); and
- interest received and Commonwealth Government COVID stimulus receipts ($60,225)

CHANGES IN EQUITY

SHARES

The number of shares on issue increased from 224,354,823 (1 July 2020) to 227,506,546 (30 June 2021) during the year following the exercise of 3,151,723 unlisted options into shares (exercise price of $0.1929 and expiry date of 31 March 2023).

UNLISTED OPTIONS

The number of share options on issue decreased from 18,170,000 (1 July 2020) to 14,518,277 (30 June 2021) during the year as a result of the following events:

- 1,500,000 unlisted options were issued to Director Kenneth Williams following shareholder approval at the Company's Annual General Meeting held on 30 November 2020. The options are exercisable at $0.7695 each and expire on 31 March 2024.
- 3,151,723 unlisted options (exercise price of $0.1929 and expiry date of 31 March 2023) were exercised into shares.
- 2,000,000 Options previously issued to a consultant were forfeited. The Options were exercisable at $0.245 each end expiry date of 31 March 2023, and subject to particular vesting conditions. The Options did not vest and were forfeited in accordance with the terms on which they were issued.

PERFORMANCE RIGHTS

There were no performance rights on issue during the year or as at the date of this report.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous reporting period, or as at the date of this report.

FACTORS AND RISKS AFFECTING FUTURE PERFORMANCE

The following describes some of the external factors and business risks that could have a material impact on the Company's ability to deliver its strategy:

ACCESS TO FUNDING

The Company does not receive any revenue from its operating business and the Company is reliant on capital raisings and the sale of non-core assets to fund its future operations. Therefore, the Company's ability to continue to develop its technology is contingent upon the Company's ability to source timely access to additional funding as it is required.

KEY AGREEMENTS

Development and potential commercialisation of the 12CQ quantum computing qubit processor chip intellectual property and associated patents and patent applications are dependent on the Licence Agreement with the University of Sydney remaining in-place. Termination of the Licence Agreement would mean that Archer would be unable to access the intellectual property required to commercialise the associated quantum technology. As at the date of this document, the Company is not aware of any grounds that the University of Sydney may have to terminate the Licence Agreement.

INTELLECTUAL PROPERTY

Commercially exploiting and legally protecting the intellectual property underlying the Company's technology, including its graphene-based lab-on-a-chip biochip technology development, is dependent on the Company progressing its associated patent applications. The protection of intellectual property, including patents and patent applications, has the potential for third-party claims against the Company's owned or licensed intellectual property.
As at the date of this document, the Company is not aware of third-party claims against the Company's owned or licensed intellectual property or any patent or patent application lapsing, being refused, or expiring.

COVID-19

The development of the Company's technologies requires access to institutional scale infrastructure and facilities which if shutdown due to COVID-19 would restrict Company access during the periods of closure.

The Company currently has access to facilities and collaborators in numerous locations in Australia, Germany, Switzerland, and the USA to help limit the impact of any closures. Australian border closures and restrictions on international and domestic travel may limit the Company's ability to hire personnel and perform development work in facilities interstate and abroad.

KEY PERSONNEL

The Company's technology is unique, with very few people available globally with the required knowledge, skills, relationships, and experience to develop the technologies towards future commercialisation. The Company's projects may be delayed if key personnel are not available to work on the projects.

ADVANCED MATERIALS

Archer is a technology company that operates within the semiconductor industry. The Company is developing and potentially commercialising advanced semiconductor devices, including chips relevant to quantum computing and medical diagnostics. The Company is progressing the development of its 12CQ quantum computing qubit processor chip and graphene-based 'lab-on-a-chip' biochip technology.

QUANTUM TECHNOLOGY

12CQ CHIP

Archer's 12CQ chip is a world-first qubit processor technology that could allow for mobile quantum computing powered devices. During the year, the Company made significant progress in the development and commercialisation of its 12CQ chip. Progress spanned technological and commercial development, and international intellectual property prosecution.

During the year, the Company informed shareholders that the Office of the NSW Chief Scientist & Engineer published a comprehensive independent report, titled Australian Semiconductor Sector Study: Capabilities, opportunities and challenges for NSW's meaningful participation in the global semiconductor value-chain. Archer contributed to the development of the Sector Study, together with other semiconductor sector leaders.

The Sector Study identifies the largest areas of opportunity for the scaleup of companies, such as Archer, in the global semiconductor industry. These areas include enhancing domestic capability in semiconductor design, fabrication, and prototyping. In particular, as it relates to the commercial translation of advanced materials.

The Sector Study presents a positive long-term outlook for the potential of increased participation by companies such as Archer in the global semiconductor sector. Archer's current areas of strength and strategic significance across the semiconductor value chain is reported to include chip development and securing high-impact intellectual property in global markets.

(Example of a qubit control device fabricated by the Archer team with integrated model circuitry on the mounting chip (three rectangles in the centre of the block) measuring 11 mm x 4 mm. The control circuitry is not visible to the eye at the image magnification.)

COLLABORATION WITH A QUANTUM COMPUTING GIANT

During the year, Archer signed a new quantum computing agreement with International Business Machines Corporation ("IBM"). Archer and IBM will continue to work together on the advancement of quantum computing.

As part of the new agreement between Archer and IBM, Archer retains membership to the global IBM Quantum Network and the associated IBM Quantum Startup Program. The new agreement also gives Archer the opportunity to progress the work initiated under the previous agreement. Archer is one of the first Australian companies developing quantum computing technology to have joined the invitation-only, IBM Quantum Network.

IBM Quantum Network is a community of Fortune 500 companies, academic institutions, startups, and national research labs working with IBM to advance quantum computing.

The technical details of the 12CQ chip development and details of Archer's quantum computing collaboration with IBM was covered in a joint webinar between Archer and IBM. Over 320 people attended the webinar, which also focused on the opportunities and economic drivers behind quantum computing and included an in-depth Q&A session that was addressed by speakers from Archer and IBM.

Archer CEO Dr Mohammad Choucair delivered the Quantum Computing keynote presentation at IBM Think Summit Australia & New Zealand. IBM Think Summit is IBM's flagship digital event experience and an award-winning, virtual event featuring some of the technology industry's greatest pioneering minds, focusing on building a better future.

IBM Think Summit hosted more than 2000 business leaders, policy advisors, educators, innovators, artists, athletes, media and industry analysts. Dr Choucair discussed the Company's vision on how quantum computing technology can address complex global challenges.

Dr Choucair also published 'Why quantum deserves your attention' on the IBM website, including a Quantum 101 video with IBM which has been shared with over 50 million people.

The Company entered into a collaboration with IBM Quantum Network member and leading Artificial Intelligence and Machine Learning company, Max Kelsen. The collaboration with Max Kelsen represents a critical step in the future commercialisation of the 12CQ chip because the principal purpose of building quantum computing processor chips is to apply and run quantum algorithms to generate value from outperforming modern computing.

Archer made significant progress with Max Kelsen during the year in the development of Quantum Neural Networks. The ongoing collaboration involves adapting a unique class of quantum algorithms, called Quantum Approximation Optimisation Algorithms, to be used in the training of Quantum Neural Networks and more generally Variational Quantum Eigensolvers. These quantum algorithms could potentially allow quantum computing devices to outperform modern computers in solving complex problems with broad application.

Over the course of the year, Archer signed a non-binding letter of intent ("LOI") with the Australian Missile Corporation Pty Ltd. By signing the LOI the Company confirmed its interest in cooperating with NIOA's Australian Missile Corporation to help fulfil the Australian Government's long-term vision of developing sovereign Australian defence industrial capabilities, in particular, for The Sovereign Guided Missile Enterprise.

The Company's commercial partnerships and development is intrinsically tied to its technology development, and Archer continued to make technical development progress on its 12CQ chip during the year. The main area of focus was on devices' miniaturisation and qubit control. This involved measurements on single and few qubits, and the development of qubit control devices based on various semiconductor technologies that integrate control electronics with 12CQ chip qubits. The qubit control devices that Archer is building are state-of-the-art.

QUANTUM COMPUTING IS REVOLUTIONARY DEEP TECH

Controlling qubits in Archer's 12CQ chip requires the design of new and highly complex quantum information control electronics to integrate with 12CQ chip qubits. The Company is now at a stage of development where these advanced designs can be (and are being) developed from first principles, modelled using specialised software, built and tested, all in an end-to-end process.

Archer's 12CQ chip development has progressed to utilising Electromagnetic Finite Element Modelling to build qubit control devices. The sophisticated modelling facilitates achieving qubit control of few and single qubits, which are key milestones in validating 12CQ chip viability. Without this, 12CQ chip operation would not be possible.

Archer built a number of the qubit control devices required for 12CQ chip development. The Company has engineered and commenced operating the infrastructure and specialised equipment required to perform qubit control using various device configurations.

The Company completed the preliminary stages of its quantum measurements towards qubit control by successfully characterising optimised and unoptimised qubit control devices. The information obtained (e.g. device response to 'pulse sequences') will greatly expedite further progress in the 12CQ chip qubit control measurements.

During the year, and in parallel to work on qubit control, Archer achieved a key technological milestone in the development of its 12CQ chip related to electronic transport in a single qubit. The work represented a significant technical achievement because the electronic transport measurements were performed on a single qubit – only a few hundred atoms across – and at room temperature.

The achievement of single-qubit electron transport is fundamental to the successful development of the 12CQ chip. The Company utilised over $150 million of semiconductor research and prototype foundry facilities and some of the most advanced instrumentation in the world to perform the measurements in validation of the 12CQ chip technology.

The work unambiguously showed that a single qubit – the fundamental quantum information containing material component of the 12CQ chip – could be used to build 'gated' semiconductor devices. This represents a significant commercial advantage over competing qubit chip device proposals. The information obtained from the electronic transport measurements was in excellent agreement with the quantum mechanical theory of the qubit material developed by the Company during the year.

The computational quantum mechanical theory that was developed for the first-time, accurately modelled the behaviour of the qubit material at the core of Archer's 12CQ chip.

The computational models validated the origins of experimentally observed quantum phenomena in the qubit material and allow the Company to predict future quantum behaviour. This achievement is fundamental to the successful development of the chip.

There are very few people and institutions in the world that can do this type of work and the complexity and importance of this work to Archer's 12CQ chip development cannot be overstated, as the greatest amount of value creation in the quantum computing economy is generated from technology development.

BUILDING A WORLD-FIRST QUBIT PROCESSOR

The qubit material models were derived from first principles and to the highest scientific standards internationally in the field of theoretical condensed matter physics (i.e. not obtained using simple analytical formulas found in spreadsheets or similar analysis software).

The quantum information in Archer's chip design is in the form of an electron's quantum property of 'spin', so it is critical to have developed accurate models predicting the electronic properties of the qubit material for the successful development of the 12CQ chip.

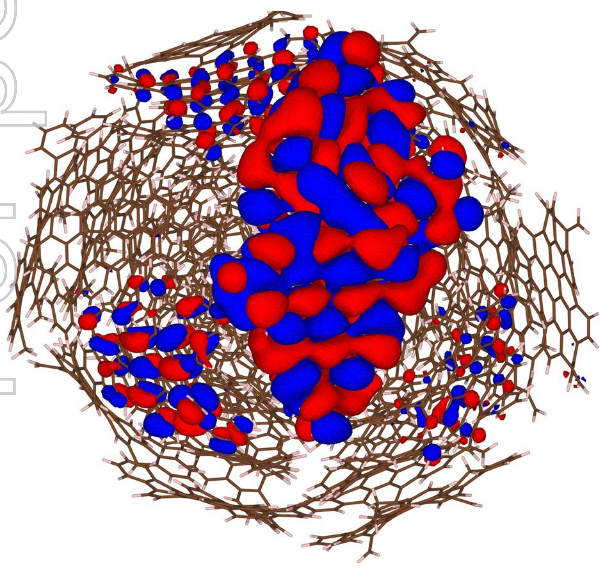
Furthermore, the single-qubit electronic transport verified claims in the registered Japanese patent, international patent applications, and scientific publications underpinning the 12CQ chip technology.

The JP Patent (Patent No. 6809670) was granted during the year and is the first granted patent protecting the 12CQ chip. The grant of the JP Patent represents a significant commercial milestone in Archer's development of the 12CQ chip. The grant of the JP Patent gives Archer access to the high-value Japanese market for the 12CQ chip and is the first step in the Company's efforts to access global markets.

The JP Patent application successfully underwent substantive examination procedures in Japan by the Japan Patent Office, which is one of the world's largest patent offices.

The Company considers Japan as a critical strategic jurisdiction to protect and commercialise its IP. Japan is a major global economy and according to the World Economic Forum, ranks amongst the top 5 economies in the world for global competitiveness and GDP.

During the year, the international patent applications to protect and commercialise intellectual property associated to the 12CQ chip technology continued to progress in a number of jurisdictions at various stages of the patent granting procedure.



The critical qubit material component in Archer's 12CQ chip technology. A part of the computational model developed that accurately represents the atom-scale structure of the nanosized qubit material, used for calculating the qubit materials' electronic properties for the first time.

ARCHER'S BIOCHIP

During the year, Archer made a step-change in advancing its graphene-based biosensor development to newly commence its lab-on-a-chip biochip technology.

This evolution in development was possible in a short period of time as Archer brought its biotechnology development in-house and is now able to miniaturise its biosensing processes to chip-formats while retaining its IP.

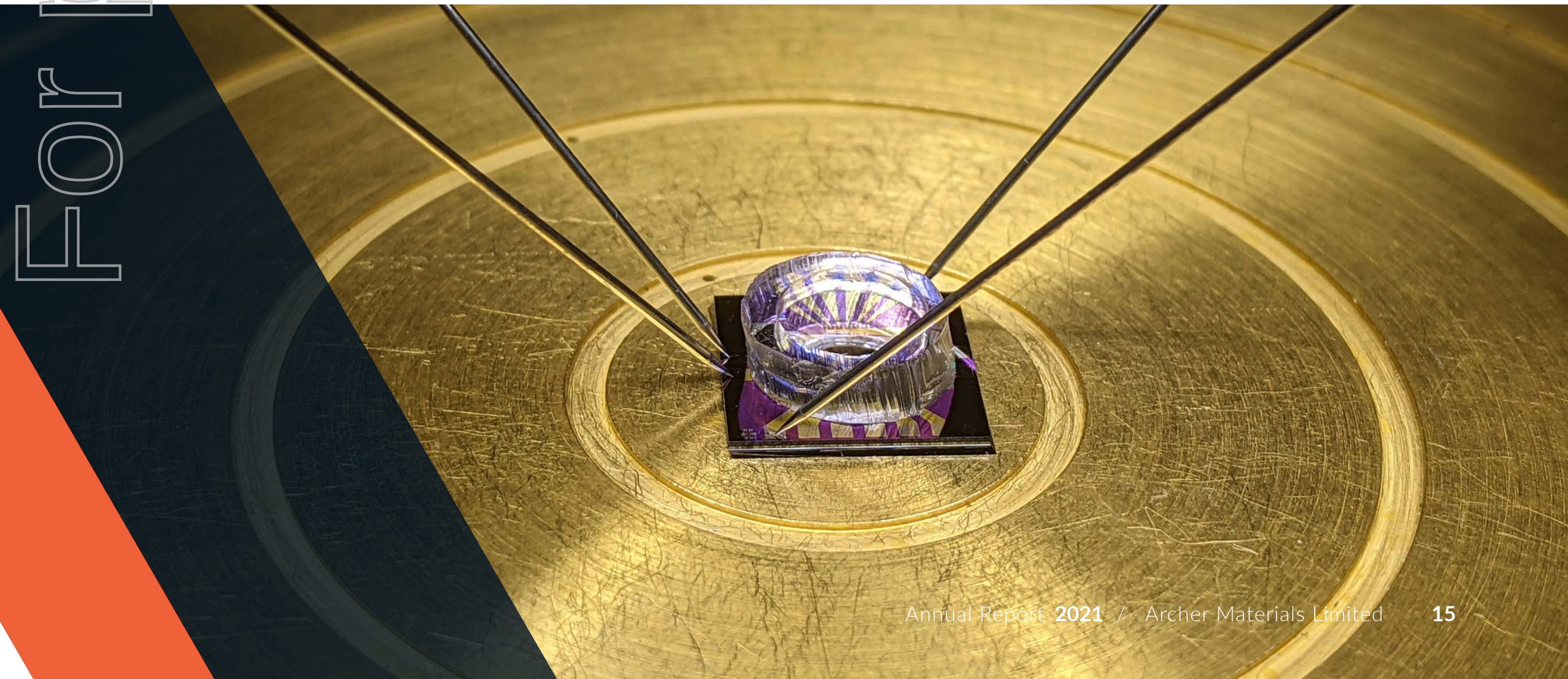
Archer's biochip is a unique graphene-based biotechnology that the Company is building to enable the complex detection of some of the world's most deadly communicable diseases. Some of the largest technological barriers to commercialising such devices involve nanofabrication. This is the current focus of Archer in its biochip development.

During the year, Archer continued to strategically secure access to local institutional deep-tech infrastructure to grow its capability in semiconductor prototyping operations that are essential to the development and potential commercialisation of the Company's biochip technology, including chip testing facilities.

The establishment of semiconductor chip testing would allow Archer to reach a number of biochip development milestones, including the fabrication of graphene transistors and their operation at the limits of what can be achieved technologically.

The development of Archer's biochip requires the analysis and testing of semiconductor device materials components and the establishment of quality control processes at the nanoscale. This is because Archer's biochip technology integrates materials like graphene, which is one-atom 'thick' in size (i.e. a fraction of a nanometre), and device features that are nanometres in size.

Part of the semiconductor chip probe workstation. Testing of a chip relevant to biochip development. The US and German manufactured state-of-art semiconductor chip prober and analysers are operated by Archer staff and housed in a specialised cleanroom inside a world-class semiconductor research and prototype foundry.



Human Health

Disease detection is limited because there are only a handful of materials in existence that can perform complex biosensing.

The progress the Company has made during the year highlights the complementary nature of Archer's technologies; the Company is developing advanced chips in the same semiconductor fabrication environment, and the chip testing and prototyping workstations can also be configured to test chip devices relevant to the Company's 12CQ chip.

During the year, the Company brought on permanent staff to pursue areas of highest value-added activities in its biochip development. Archer's team has grown to include expertise spanning semiconductor device fabrication, nanoscience and technology, advanced materials engineering, and molecular biology.

Cross-functional skills capability now exists within the Archer team, i.e. team members are able to contribute to both the biochip technology and 12CQ chip development, while Archer has expanded on its commercial access-and-use of some of the best instrumentation in the world to address future biochip development milestones and accelerate future commercialisation.

MINERAL EXPLORATION

The Company did not undertake any in-field exploration activities during FY21. The primary focus was on the sale of all of the Company's tenements and associated assets.

Accordingly:

- In August 2020, the Company completed the sale of the Leigh Creek Magnesite Project ("Magnesia Project") to Magmetal Tech Pty Ltd ("Magmetal") and Witchimag Pty Ltd. Magmetal is part owned by Canadian Stock Exchange listed Volatus Capital Corp, Inc ("Volatus"). The sale price for the Magnesia Project was $250,000 cash plus 6,535,775 Volatus shares. At completion, the Magnesia Project had JORC 2012 compliant resources of 17.52Mt @ 40.2% MgO and JORC 2004 compliant resources of 434.7Mt @ 41.4% MgO.
- The Company sold the Carappee Hill and Waddikee tenements to ChemX Materials Ltd (formerly Baudin Minerals Pty Ltd) ("ChemX"). ChemX plans to undertake an initial public offering and list on ASX. The sale price was $150,000 cash plus 9.25 million ChemX shares plus a bonus payment equal to 5% of the enterprise value of ChemX at the time of ASX listing plus a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the tenements.
- The sale to ChemX was completed on 18 June 2021. At the time of completion, the tenements contained the Kelly Tank Kaolin Project with a JORC 2012 compliant Exploration Target of 55Mt – 130Mt at a grade of 33 – 36% Al2O3 (-53 µm size fraction) and the Jamieson Tank Manganese Project with a JORC 2012 compliant Exploration Target of 15Mt - 25Mt at a grade of 8 - 12% manganese. The potential quantity and grade of the Exploration Targets reported are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
- On 12 April 2021, the Company announced the sale of all of its remaining tenements to iTech Minerals Ltd ('iTech") for 50 million iTech shares. At a general meeting held on 30 August 2021, Archer shareholders approved the sale of the mineral tenements to iTech and the proposed pro-rata in-specie distribution of the 50 million iTech shares to eligible Archer shareholders. iTech has opened an initial public offering to raise a minimum of $5 million and a maximum of $7 million and list on ASX. Completion of the transaction, and the in-specie distribution of the iTech shares to Archer shareholders, will take place when iTech is admitted to the official list of ASX or this condition precedent is waived. Completion is expected to take place on or about 11 October 2021.

TENEMENT INTERESTS

The Company's tenement interests held at 30 June 2021 are detailed at Note 22.

JORC RESOURCES GRAPHITE

EYRE PENINSULA GRAPHITE PROJECT

JORC 2012 Compliant

Project	Category	Cut-off grade (% Cg)	Tonnes (Mt)	Graphitic Carbon %	Contained Graphite (t)
Campoona Shaft	Measured	> 5.0	0.32	12.7	40,600
	Indicated	> 5.0	0.78	8.2	64,000
	Inferred	> 5.0	0.55	8.5	46,800
Central Campoona	Indicated	> 5.0	0.22	12.3	27,100
	Inferred	> 5.0	0.30	10.3	30,900
Wilclo South	Inferred	> 5.0	6.38	8.8	561,400
Total Resource			**8.55**	**9.0**	**770,800**

CAMPOONA SHAFT AND CENTRAL CAMPOONA

The information pertaining to the Campoona Shaft and Central Campoona Mineral Resource estimates were:

- detailed in an announcement entitled "Archer Exploration announces Australia's largest JORC 2012 Graphite Resources", lodged with ASX on 6 August 2014.
- prepared by Mr B Knell who is a Member of the AusIMM and peer reviewed by Dr C Gee who is also a Member of the AusIMM (CP). At the time of the report Mr Knell and Dr Gee were both full time employees of Mining Plus Pty Ltd and both qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

There has been no change in the Campoona Shaft or Central Campoona Mineral Resource estimate stated as at 30 June 2021. Accordingly, no comparison is provided.

WILCLO SOUTH

The information pertaining to the Wilclo South Mineral Resource estimate was:

- extracted from an announcement entitled "Maiden Wilclo South Graphite Resource", lodged by Monax Mining Limited with ASX on 26 August 2013.
- prepared by Ms Sharon Sylvester who at the time of the report Ms Sylvester was a full-time employee of AMC Consultants Pty Ltd and qualifies as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

There has been no change in the Wilclo South Mineral Resource estimate stated as at 30 June 2021. Accordingly, no comparison is provided.

SCOPING STUDY

The Eyre Peninsula Graphite Project Scoping Study was first released as an ASX announcement entitled "Positive results from SA Graphite Project scoping study", lodged with ASX on 19 September 2016. Archer confirms that all material assumptions underpinning the production target and financial information set out in that announcement continue to apply and have not materially changed.

KAOLIN

FRANKLYN KAOLIN PROJECT

JORC 2012 Compliant

In an announcement titled “Franklyn Halloysite-Kaolin Exploration Target”, lodged with ASX on 7 November 2019, Archer announced a maiden kaolin Exploration Target at Franklyn of 45Mt – 91Mt at a grade of 30 – 36% Al2O3 (-45 µm size fraction). The Franklyn Exploration Target is based on historical drilling, across 40 Rotary drill holes and auger drilling was undertaken by the SA Government (1971 to 1992).

The potential quantity and grade of the Exploration Target reported is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource at Franklyn.

COMPLIANCE

Competent Person Statement

The Mineral Resources Statement as a whole has been approved by Wade Bollenhagen who consents to its inclusion in the Annual Report in the form and context in which it appears.

The exploration results and exploration targets reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Wade Bollenhagen, Exploration Manager of Archer Materials Limited.

Mr Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than twenty years’ experience in the field of activity being reported.

Mr Bollenhagen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” relating to the reporting of Exploration Results.

Mr Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

CONFIRMATION BY ARCHER

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements referred to above and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

GOVERNANCE

Archer maintains strong governance and internal controls in respect of its estimates of Mineral Resources and the estimation process. Archer ensures its sampling techniques, data collection, data veracity and the application of the collected data is at a high level of industry standard. Contract RC and diamond drilling with QA/QC controls approved by Archer are used routinely. All drill holes are logged by Archer geologists.

Archer employs QC procedures, including addition of standards, blanks and duplicates ahead of assaying which is undertaken using industry standards and fully accredited laboratories. Assay data is continually validated and stored. Geological models and wireframes are built using careful geological documentation and interpretations.

Resource estimation is undertaken using industry standard estimation techniques and include block modelling. Application of other parameters including cut off grades, top cuts and classification are all dependent on the style and nature of mineralisation being assessed.

DIRECTORS' REPORT

The Operating and Financial Review (which includes the Chairman's Letter) of this Annual Report is incorporated by reference into, and can be found on pages 6 to 19 of this Annual Report.

Your Directors present this report on Archer Materials Limited and its consolidated entities ('Group' or 'Archer'), for the year ended 30 June 2021.

DIRECTORS

The following Directors were in office at any time during or since the end of the financial year:

Greg English – Executive Chairman

Alice McCleary – Independent Non-Executive Director
will retire at the 2021 AGM

Kenneth Williams – Independent Non-Executive Director
appointed 28 September 2020

Paul Rix – Independent Non-Executive Director
resigned 30 October 2020

CHIEF EXECUTIVE OFFICER

Mohammad Choucair held the position of Chief Executive Officer during the financial year and as at the date of this report.

COMPANY SECRETARY

Damien Connor held the position of Company Secretary during the financial year and as at the date of this report.

DIRECTORS

Information on continuing Directors and Management

GREG ENGLISH

LLB, BE (Mining)
Executive Chairman

Greg English is the co-founder and Executive Chairman of Archer. He has been Chairman of the board since 2008 and has overseen Archer's transition from a South Australian focused minerals exploration company to a materials technology company.

He has more than 25 years of engineering and legal experience and has held senior roles for Australian and multinational companies.

Greg has received recognition for his work as a lawyer having been regularly recognised in The Best Lawyers® in Australia, Adelaide in the area of Commercial Law.

Greg is an experienced company director and has also served on the boards of other ASX listed companies. He holds a bachelor's degree in engineering and a law degree (LLB).

Directorships of other ASX Listed entities in the last 3 years:
Core Lithium Limited (ASX:CXO) (current), Leigh Creek Energy Limited (ASX:LCK) (resigned 22 June 2021).

Interest in Shares and Options:
8,997,618 ordinary shares. 5,000,000 unlisted options, exercisable at $0.1929 and expiring on 31 March 2023.

Special Responsibilities:
Executive Chairman. Member, Audit & Risk Management Committee

ALICE MCCLEARY

DUniv, BEc FCA FTIA FAICD
Director (Non-Executive)

Alice McCleary is a Chartered Accountant. Alice is a director of .au Domain Administration Limited, and Deputy Chair of the Uniting Church of South Australia's Resources Board.

She is a former Chairman of ASX Listed Company Twenty Seven Co. Limited (ASX:TSC) and former Director of Adelaide Community Healthcare Alliance Inc. (ACHA), Benefund Ltd and Forestry Corporation of South Australia.

Previous leadership roles include Vice-President of the South Australian Chamber of Mines and Energy (SACOME), Deputy Chancellor of the University of South Australia and National President of the Taxation Institute of Australia.

Alice's professional interests include financial management and corporate governance.

Directorships of other ASX Listed entities in the last 3 years:
Twenty Seven Co. Limited (ASX: TSC)

Interest in Shares:
3,870,761 ordinary shares. Nil Options.

Special Responsibilities:
Chair, Audit & Risk Management Committee.

KENNETH WILLIAMS

B.Econ(HONS), MAppFin, FAICD
Director (Non-Executive)

Ken was appointed as a Director of the Company on 28 September 2020. Ken has over 30 years' experience in corporate finance and has held senior executive, director, and Chair positions with leading ASX companies.

His extensive experience in corporate finance includes diverse experience in mergers, acquisitions, divestments and corporate reconstructions. Ken is currently the Independent Chairman of Statewide Superannuation Trust (Statewide Super), a South Australian based industry super fund with over $10 billion in funds under management. He is also a member of Statewide Super's Investment Committee and Remuneration & Nomination Committee.

Ken is also a Director of Lifetime Support Authority of South Australia. Prior roles include Chair of AWE Limited, Chair of Havilah Resources Limited, and Senior Finance Executive roles with Newmont Corporation, Normandy Mining, and Qantas.

Directorships of other ASX Listed entities in the last 3 years:
Havilah Resources Limited (ASX: HAV), 8IP Emerging Companies Limited (ASX: 8EC).

Interest in Shares:
Nil Shares. 1,500,000 unlisted options, exercisable at $0.7695 and expiring on 31 March 2024.

Special Responsibilities:
Member, Audit & Risk Management Committee.

MANAGEMENT

Information on continuing Directors and Management

DR MOHAMMAD CHOUCAIR

FRSN FRACI GAICD BSc Nanotechnology (Hon. 1), PhD (Chemistry)
Chief Executive Officer

Dr Mohammad Choucair was appointed CEO of Archer in December 2017 and is leading the company to develop disruptive deep tech that address complex global challenges. Mohammad served a 2-year mandate at the World Economic Forum on the Global Council for Advanced Materials and is internationally recognised for his forward-thinking breakthroughs in Nanotechnology.

He received the Royal Australian Chemical Institute Cornforth Medal for the most outstanding Chemistry PhD in Australia and is the inventor of the 12CQ quantum computing technology.

Mohammad is a Fellow of The Royal Society of New South Wales and The Royal Australian Chemical Institute, Alumni of the World Economic Forum, Alumni of the Australian Graduate School of Management, Graduate of the Australian Institute of Company Directors, and is an Honorary Fellow of the University of Sydney. He received his PhD in Chemistry and BSc in Nanotechnology with Honours Class 1 from UNSW Sydney.

DAMIEN CONNOR

CA GAICD AGIA B.Com
Chief Financial Officer / Company Secretary

Damien Connor was appointed Company Secretary and Chief Financial Officer on 1 August 2014. Damien performs the financial/accounting role in the Company as well as the company secretarial duties.

Damien has been a member of the Institute of Chartered Accountants Australia since 2002 and is a Graduate of the Australian Institute of Company Directors and an Associate Member of the Governance Institute of Australia.

Damien has been employed in the resources sector since 2005. He also provides Company Secretary and Chief Financial Officer services to other ASX-listed and unlisted entities.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and each Board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each Director were as follows:

Director	Board		Audit & Risk Management Committee	
	A	B	A	B
Greg English	11	11	2	2
Alice McCleary	11	11	2	2
Kenneth Williams [1]	9	9	1	1
Paul Rix [2]	3	3	1	1

[1] Appointed on 28 September 2020 *[2] Resigned on 30 October 2020*

Where: **Column A** is the number of meetings the Director was entitled to attend
Column B is the number of meetings the Director attended

As at the date of this report, the Group has not formed separate Remuneration or Governance Committees, as these matters are handled by the Board as a whole. The Board considers this appropriate given the size and nature of the Company at this time.

PRINCIPAL ACTIVITIES

Archer is a materials technology company with a focus on developing innovative deep tech. The Company is building and working towards commercialising semiconductor devices including processor chips and sensors that are relevant to quantum computing and lab-on-a-chip technology.

During the year, the principal activities of the Group were:

- Technology research and development of a quantum computing qubit processor chip ("12CQ chip") and graphene-based lab-on-a-chip biosensing chip ("biochip").
- Utilising semiconductor development infrastructure and facilities, R&D, people and IP, to support pre-market technology development.
- Internationally protecting and prosecuting intellectual property (e.g. patents and patent applications).
- Collaborating and partnering with organisations in computing, deep tech, and technology, as part of global networks coordinated by large companies.
- Sale of the Company's mineral exploration tenements.

SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

Sale of the Leigh Creek Magnesia Project

On 14 August 2020, the Company announced the completion of the sale of the Leigh Creek Magnesia Project. Refer Note 18 for further details.

Sale of two Eyre Peninsula Tenements

On 18 June 2021, the Company announced the completion of the sale of two Eyre Peninsula tenements (Waddikee and Carappee Hill) to ChemX Materials Ltd (formerly Baudin Minerals Pty Ltd and NextGen Materials Pty Ltd). Refer Note 17 for further details.

Sale of subsidiaries to iTech Minerals Ltd

On 12 April 2021, the Company announced that it had signed a legally binding share sale agreement with iTech Minerals Ltd ("iTech") for the sale of all of the three subsidiary companies that hold Archer's remaining mineral tenements (the "Transaction"). At completion of the sale, the Company will receive 50 million iTech shares which the Company will disperse to Archer shareholders by way of a pro-rata in-specie distribution. Refer Note 18 for further details.

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD.

- On 17 July 2021, 200,000 unlisted options previously issued under the Company's employee incentive scheme (exercise price of $0.1929 and expiry date of 31 March 2023) were exercised into ordinary shares.
- At the Company's General Meeting held on 30 August 2021, Archer shareholders approved the sale of the Company's remaining mineral exploration projects to iTech in return for 50 million iTech shares (Resolution 1) and the reduction of capital by way of pro-rata In-Specie Distribution of the 50 million iTech shares to eligible Archer shareholders (Resolution 2).

REMUNERATION REPORT (AUDITED)

The Directors of Archer Materials Limited (the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The names and roles of the Company's key management personnel during the year are:

- Greg English - Executive Chairman
- Alice McCleary - Non-Executive Director
- Kenneth Williams - Non-Executive Director (appointed 28 September 2020)
- Paul Rix - Non-Executive Director (resigned 30 October 2020)
- Mohammad Choucair – Chief Executive Officer
- Damien Connor - Chief Financial Officer & Company Secretary

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amounts of remuneration

B. Details of remuneration

C. Employment Contracts of Directors and other Key Management Personnel

D. Share based remuneration

E. Bonuses included in remuneration

F. Other information

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNTS OF REMUNERATION

The Board acts as the remuneration committee as a consequence of the size of the Board and the Group. The Board believes that individual salary negotiation is more appropriate than formal remuneration policies and external advice and market comparisons are sought where necessary. The Group discloses the fees and remuneration paid to all Directors as required by the Corporations Act 2001. The Board recognises that the attraction of high calibre executives is critical to generating shareholder value.

The directors and executives receive a superannuation guarantee contribution required by the government of 9.50% per annum (10% from 1 July 2021) and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation and/or elected to increase superannuation contributions a part of their salary package.

All remuneration paid to Directors and executives is valued at the cost to the Group. The Group has established a Performance Rights Plan and Share Option Plan (Plan) for the benefit of Directors, officers, senior executives and consultants.

Options are valued using the Black-Scholes valuation methodology. Performance Rights are valued using a Monte Carlo based model and recognised as remuneration in accordance with the attached vesting conditions. The Board policy is to remunerate non-executive directors at the market rates for time, commitment and responsibilities. The Board determines payments to non-directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to non-executive directors is $500,000 per annum which has not changed since Archer listed on the ASX in August 2007. These amounts are not linked to the financial performance of the consolidated Group. However, to align director's interests with shareholder interests, the directors are encouraged to hold shares in Archer.

Each member of the executive team has signed a formal contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on terminations. The standard contract sets out the specific formal job description.

USE OF REMUNERATION CONSULTANTS

The Company has not engaged the services of a remuneration consultant during the year.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2020 ANNUAL GENERAL MEETING

The Company received 98% 'for' votes on its Remuneration Report for the financial year ending 30 June 2020.
The Company received no specific feedback on its Remuneration Report at the 2020 Annual General Meeting.

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the company's share price in respect of the current financial year and the previous four (4) financial years:

Item	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Share price	$0.95	$0.60	$0.11	$0.11	$0.036

B. DETAILS OF REMUNERATION

Details of the nature and amount of each element of the remuneration of each key management personnel (KMP) of the Group are shown in the table below:

Director and other Key Management Personnel

		Short-term Employee Benefits		**Post employment Benefits**	**Termination Benefits**	**Share Based Payments**		
Employee	Year	Cash Salary & Fees $	Cash Bonus $	Super-annuation $	Termination Benefits $	Unlisted Options[1] $	Total $	Performance based remuneration %
Executive Directors								
Greg English [2]	2021	337,900	50,685 [3]	37,169	-	-	425,754	13.1%
Executive Chairman	2020	301,370	45,205 [3]	32,925	-	296,000	675,500	7.3%
Non-Executive Directors								
Alice McCleary	2021	63,927	-	6,073	-	-	70,000	-%
Independent	2020	59,361	-	5,639	-	88,800	65,570	-%
Kenneth Williams [4]	2021	48,929	-	4,648	-	404,250	457,827	-%
Independent	2020	-	-	-	-	-	-	-%
Paul Rix [5]	2021	21,309	-	2,024	-	-	23,333	-%
Independent	2020	59,361	-	5,639	-	88,800	153,800	-%
Other Key Management Personnel								
Dr Mohammad Choucair	2021	230,000	57,239 [6]	27,574	-	-	314,813	19.9%
Chief Executive Officer	2020	175,000	43,750 [6]	20,781	-	207,200	446,731	10.7%
Damien Connor [7]	2021	142,387	-	-	-	-	142,387	-%
Company Secretary & CFO	2020	126,375	-	-	-	79,050	205,425	-%
Total	**2021**	**844,452**	**107,924**	**77,488**	**-**	**404,250**	**1,434,114**	
Total	**2020**	**721,467**	**88,955**	**64,984**	**-**	**759,850**	**1,635,257**	

[1] In accordance with Accounting Standards, remuneration includes a portion of the notional value of the options granted during the year. The notional value of options are determined as at the issue date and is progressively allocated over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that the employee may ultimately realise should the option vest and become exercisable. The notional value of the options as at the grant date has been determined in accordance with the accounting policy detailed at Note 1 and calculation details in Note 15.

[2] In addition to cash salary, Piper Alderman Lawyers were paid $53,099 (2020: $29,950) during the year for services rendered to the Group. Mr English is a partner of Piper Alderman lawyers. The fees were at normal commercial rates.

[3] Short-term cash bonus, approved by the non-executive directors, related to KPI achievement, pursuant to Mr English's employment contract.

[4] Kenneth Williams was appointed as a non-executive director on 28 September 2020.

[5] Paul Rix resigned as a non-executive director on 30 October 2020.

[6] Short-term cash bonus, approved by the Board, related to KPI achievement, pursuant to Dr Choucair's employment contract.

[7] Contract payments are made to Damien Connor Consulting Pty Ltd – an entity associated with Damien Connor.

C. EMPLOYMENT OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

Remuneration and other terms of employment for the Directors and other Key Management Personnel are formalised in either contracts of employment or service agreements. The main provisions of the agreements relating to remuneration are set out below:

Name	Base Remuneration	Unit of Measure	Terms of agreement	Notice Period [1]
Greg English *Executive Chairman*	$370,900 per annum (inclusive of 9.5% superannuation) [1]	Salaried employee	**Contract term:** Permanent employee, no fixed term. **Short-term incentive bonus:** Discretionary up to 15% of salary each year, is determined with reference to KPIs as set by the Board annually. **Long-term incentive bonus:** Entitled to receive Options or Performance Rights equal to the maximum number of Options or Performance Rights granted to a director of the Company in the same financial year, subject to shareholder approval and KPIs including the Company's share price compared with the ASX Small Ordinaries Resources Index	Calculated based on reasons for termination from 4 weeks plus leave entitlements up to 12 months' salary plus leave entitlements.
Dr Mohammad Choucair *Chief Executive Officer*	$251,850 per annum (inclusive of 9.5% superannuation) [1]	Salaried employee	**Contract term:** Permanent employee, no fixed term. **Short-term incentive bonus:** Discretionary up to 25% of salary each year, is determined with reference to KPIs as set by the Board annually. **Long-term incentive bonus:** Entitled to receive Options or Performance Rights equal to the maximum number of Options or Performance Rights granted to a director of the Company in the same financial year, subject to shareholder approval and KPIs including the Company's share Price compared with the ASX Small Ordinaries Resources Index	Either party may terminate by providing 6 months' notice.
Damien Connor *Company Secretary /CFO*	Variable	Hourly rate contract	None. Services as required	Either party may terminate by providing 3 months' notice.

[1] Superannuation rate to increase from 9.5% per annum to 10% per annum from 1 July 2021.

D. SHARE-BASED REMUNERATION

UNLISTED OPTIONS (OPTIONS)

All Options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements.

The Group has established a Performance Rights and Share Option Plan for the benefit of Directors, officers, senior executives and consultants. Under the Performance Rights and Share Option Plan, the Company, through the Board, may offer Options to eligible persons on such terms that the Board considers appropriate, including any performance or other vesting hurdles that may apply.

Options granted to KMP during the reporting period
Details of options convertible to ordinary shares in the Company that were granted as remuneration to each KMP during the year are set out below:

2021 Options	Number Granted	Grant Date	Exercise Price	Fair Value at Grant Date [1]		Vesting Criteria	Expiry Date
Granted To				**$/option**	**Full Value ($)**		
K. Williams	1,500,000	30/11/2020	$0.7695	$0.2695	$404,250	Vest on issue date	31/03/2024
	1,500,000				**$404,250**		

[1] The fair value of options at grant date is determined using a Black Scholes option pricing model as disclosed in the notes to the financial statements

The options issued to Mr Williams were approved by shareholders at the Company's Annual General Meeting held on 30 November 2020.

Details of options convertible to ordinary shares in the Company that were granted as remuneration to each KMP during the prior year ended 30 June 2020 are set out below:

2020 Options	Number Granted	Grant Date	Exercise Price	Fair Value at Grant Date [1]		Vesting Criteria	Expiry Date
Granted To				**$/option**	**Full Value ($)**		
G. English	5,000,000	30/10/2019	$0.1929	$0.0592	$296,000	Vest on issue date	31/03/2023
A. McCleary	1,500,000	30/10/2019	$0.1929	$0.0592	$88,800	Vest on issue date	31/03/2023
P. Rix [1]	1,500,000	30/10/2019	$0.1929	$0.0592	$88,800	Vest on issue date	31/03/2023
M. Choucair	3,500,000	30/10/2019	$0.1929	$0.0592	$207,200	Vest on issue date	31/03/2023
D. Connor	1,500,000	12/11/2019	$0.1929	$0.0527	$79,050	Vest on issue date	31/03/2023
	13,000,000				**$759,850**		

[1] The fair value of options at grant date is determined using a Black Scholes option pricing model as disclosed in the notes to the financial statements

[2] P. Rix retained his options following his resignation on 30 October 2020. No options were exercised by P. Rix prior to his resignation as a director.

The above 13,000,000 options were issued following shareholder approval at the Company's Annual General Meeting held on 30 October 2019.

Options to KMP exercised during the reporting period
During the reporting period 1,570,000 Options exercisable at $0.1929 each and expiring on 31 March 2023, were exercised by KMP.

Options to KMP forfeited, cancelled or lapsed during the reporting period
No Options granted to KMP were forfeited, cancelled or lapsed during the reporting period.

PERFORMANCE RIGHTS (RIGHTS)

The Company's Performance Rights and Share Option Plan provides for the issue of Rights to Directors, employees and contractors of the Company and its associated body corporates.

All Rights issued under the Plan refer to Rights over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements. Vesting of Rights is generally subject to the achievement particular performance conditions as determined by the Board.

There were no Rights issued during the reporting period and none are on issue at the reporting date.

SHARES

There were no shares issued as remuneration during year ended 30 June 2021 (30 June 2020: None).

E. BONUSES INCLUDED IN REMUNERATION

Details of the short-term incentive cash bonuses awarded as remuneration to each key management personnel, the percentage of the available bonus that was paid in the financial year, and the percentage that was forfeited because the person did not meet the performance criteria is set out below.

Employee	Included in remuneration ($)	Percentage vested during the year	Percentage forfeited during the year
Greg English [1] *Executive Chairman*	$62,963 (inclusive of Superannuation)	100%	0%
Dr Mohammad Choucair [2] *Chief Executive Officer*	$55,753 (inclusive of Superannuation)	100%	0%

[1] Mr English's contract of employment provides for a discretionary cash bonus of up to 15% of his salary each year, determined with reference to KPIs set by the Board annually.

[2] For the year ended 30 June 2021, a discretionary cash bonus of up to 25% of salary was offered by the Board, to Dr Choucair, subject to satisfaction of agreed KPIs for the year ended 30 June 2021.

No other key management personnel were awarded short-term incentive cash bonuses as remuneration during the year ended 30 June 2021.

F. OTHER INFORMATION

OPTION HOLDINGS OF KEY MANAGEMENT PERSONNEL AS AT 30 JUNE

The number of options over ordinary shares in the Company held, directly, indirectly, or beneficially, by each specified Director and key management personnel, including their personally related entities as at reporting date, is as follows:

2021 Key Management Personnel	Held at 30 June 2020	Granted as Remuneration [1]	Exercised	Forfeited/ Lapsed/ Cancelled	Other [2]	Held at 30 June 2021	Vested and Exercisable at 30 June 2021
Greg English	5,000,000	-	-	-	-	5,000,000	5,000,000
Alice McCleary	1,170,000	-	(1,170,000)	-	-	-	-
Kenneth Williams	-	1,500,000	-	-	-	1,500,000	1,500,000
Paul Rix	1,500,000	-	-	-	(1,500,000)	-	-
Dr Mohammad Choucair	3,500,000	-	(100,000)	-	-	-	3,400,000
Damien Connor	1,300,000	-	(300,000)	-	-	1,000,000	1,000,000
Total	**12,470,000**	**1,500,000**	**(1,570,000)**	**-**	**(1,500,000)**	**10,900,000**	**10,900,000**

[1] 1,500,000 Options were granted to Kenneth Williams following shareholder approval at the Company's Annual General Meeting held on 30 November 2020. Options were issued for nil consideration on 30 November 2020 and are exercisable at $0.7695 each on or before 31 March 2024. Options vest immediately on the date of issue and are governed by the terms and conditions of the Company's Performance Rights and Share Option Plan. An amount of $404,250 has been expensed to the Statement of Profit or Loss and Other Comprehensive Income under employee benefits expense for the year ended 30 June 2021. 30 June 2021.

[2] Paul Rix resigned on 30 October 2021 and retained the 1,500,000 options previously issued to him.

PERFORMANCE RIGHTS HOLDINGS OF KEY MANAGEMENT PERSONNEL AS AT 30 JUNE

There were no rights to acquire shares in the Company held by KMP during the 2021 reporting period.

SHARE HOLDINGS OF KEY MANAGEMENT PERSONNEL AS AT 30 JUNE

The number of ordinary shares of Archer Materials Limited held, directly, indirectly, or beneficially, by each Director and key management personnel, including their personally related entities as at reporting date:

2021 Key Management Personnel	Held at 30 June 2020	Granted as Compensation	Options Exercised	Other Changes	Held at 30 June 2021
Greg English	8,997,618	-	-	-	8,997,618
Alice McCleary	2,700,761	-	1,170,000	-	3,870,761
Kenneth Williams	-	-	-	-	-
Paul Rix [2]	316,667	-	-	(316,667)	-
Dr Mohammad Choucair [2]	2,600,000	-	100,000	(100,000)	2,600,000
Damien Connor	167,500	-	300,000	-	467,500
Total	**14,782,546**	**-**	**1,570,000**	**(416,667)**	**15,935,879**

[1] Paul Rix resigned on 30 October 2020.

[2] Dr Choucair sold 100,000 shares during the year.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions with key management personnel and related parties as disclosed below are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Amounts paid or payable to key management personnel and related parties/entities:

Related Party	Relationship to Key Managament Personnel/Director	Services Provided	2021	2020
Piper Alderman Lawyers	A business of which Greg English is a Partner.	Legal advice	$53,099	$29,950
Damien Connor Consulting Pty Ltd	A business of which Damien Connor is a Director	Finance/Co. Secretary consulting fees	$142,387	$126,375

END OF AUDITED REMUNERATION REPORT

Unissued Shares Under Option

Unissued ordinary shares of Archer Materials Limited under option at the date of this report are:

Issued To	Issue Date	Grant Date	Number of Options Granted	Option Exercise Price	Expiry Date
Directors [1]	12/11/2019	30/10/2019	5,600,000 [2]	$0.1929	31/03/2023
Director [1]	30/11/2020	30/11/2020	1,500,000	$0.7695	31/03/2024
CEO [1]	12/11/2019	25/01/2021	3,400,00	$0.1929	31/03/2023
Company Secretary [1]	12/11/2019	12/11/2019	1,000,00	$0.1929	31/03/2023
Other Employees	12/11/2019	12/11/2019	2,818,277	$0.1929	31/03/2023
			14,318,277		

[1] Issued to members of key management personnel as remuneration.
[2] Includes 600,000 Options to P. Rix that remaining unexercised. P. Rix resigned on 30 October 2020.

All unlisted options are unlisted and exercisable into fully paid ordinary shares in the Company on a one for one basis. These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

No options over ordinary shares have been issued, forfeited, cancelled or lapsed since the end of the financial year.

Subsequent to year end a further 200,000 unlisted options, in aggregate, previously issued under the Company's employee incentive scheme (exercise price of $0.1929 and expiry date of 31 March 2023) were exercised into ordinary shares.

PERFORMANCE RIGHTS

There were no performance rights on issue during the reporting period or as at the date of this report.

Directors' Report

ENVIRONMENTAL ISSUES

The Group's operations are subject to significant environmental regulations under the laws of the Commonwealth and/or State. No notice of any breach has been received and to the best of the Directors' knowledge no breach of any environmental regulations has occurred during the financial year or up to the date of this Annual Report.

INDEMNITY AND INSURANCE OF OFFICERS

The Company's Constitution provides that the Company indemnifies, on a full indemnity basis and to the full extent permitted by law, officers of the Company for all losses or liabilities incurred by the person as an officer of the Company or a related body corporate. In conformity with the Constitution, the Company is party to Deeds of Indemnity in favour of each of the Directors referred to in this report who held office during the year.

The Company has paid premiums to insure each of the Directors, Officers and Consultants against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Executive of the company, other than conduct involving wilful breach of duty or a lack of good faith in relation to the company. The policy does not specify the individual premium for each officer covered and the amount paid is confidential. Since the end of the year the Company has paid, or agreed to pay, premiums in respect of such contracts for the year ending 30 June 2021.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

As far as the Directors' are aware, no person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

The Board has adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 4th Edition" (ASX Recommendations). The Board continually monitors and reviews its existing and required policies, charters and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and the status of its projects and activities. Good corporate governance practices are also supported by the ongoing activities of the Audit & Risk Management Committee.

The Company's Corporate Governance Statement for the financial year ending 30 June 2021 is dated as at 30 June 2021 and was approved by the Board on 23 September 2021.

The Corporate Governance Statement provides a summary of the Company's ongoing corporate governance practices in accordance with the ASX Recommendations. The Corporate Governance Statement is supported by a number of policies, procedures, code of conduct and formal charters, all of which are located in the Corporate Governance section of the Company's website: www.archerx.com.au.

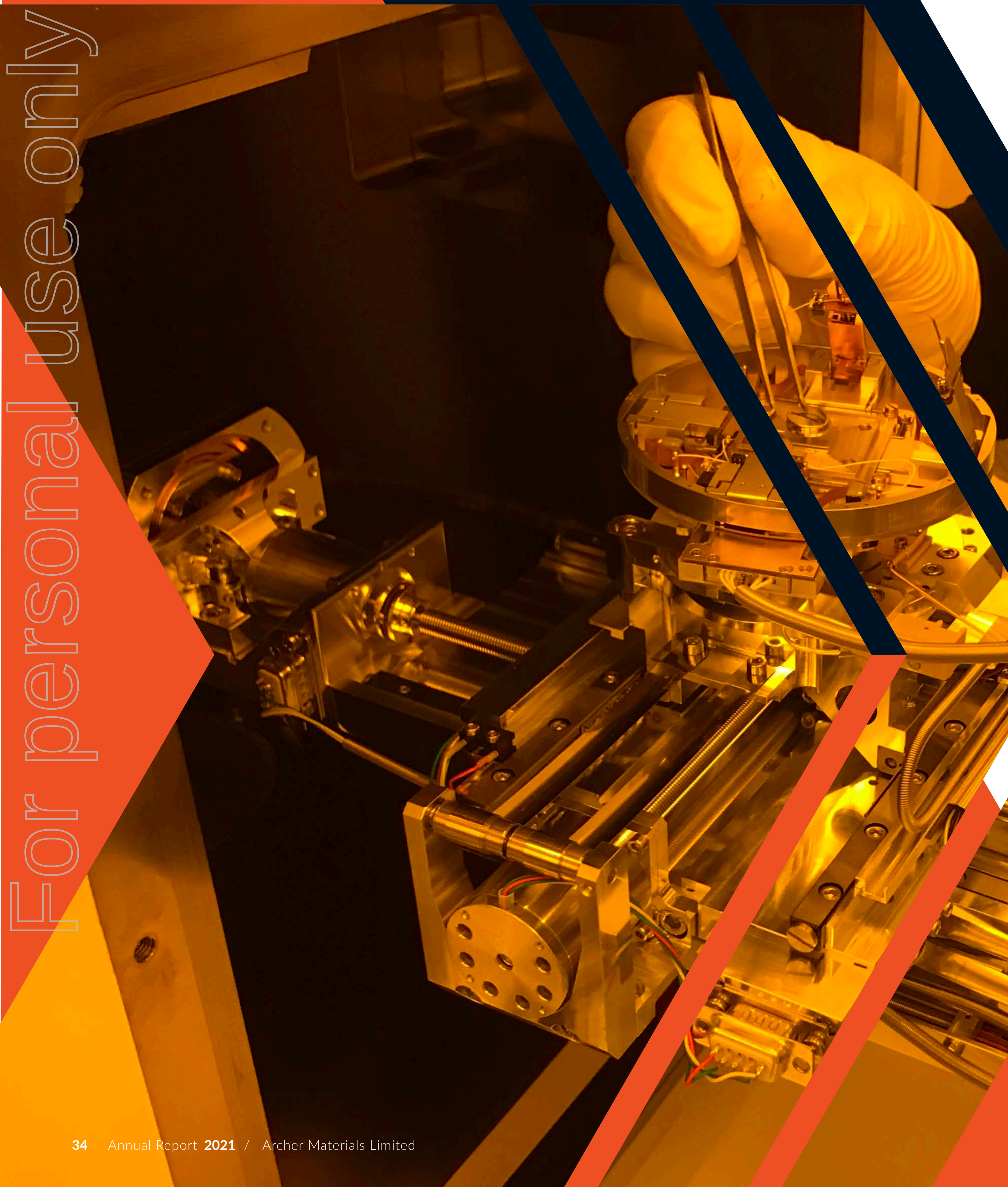
AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 36 and forms part of the director's report for the financial period ended 30 June 2021.

This report is signed in accordance with a resolution of the Board of Directors.

GREG ENGLISH
EXECUTIVE CHAIRMAN

Adelaide
Dated this 23rd day of September 2021



AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

Grant Thornton

Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Archer Materials Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Archer Materials Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 23 September 2021

FINANCIAL INFORMATION

Financial **Information**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	CONSOLIDATED GROUP	
		2021	2020
		$	$
INCOME			
R&D tax concession		467,662	238,859
Other income	2	1,720,159	109,959
		2,187,821	**348,818**
EXPENSES			
Depreciation and amortisation expense		(26,244)	(15,257)
Amortisation of intangibles		(6,054)	(6,304)
Advanced Materials research & development expense		(974,024)	(465,920)
Employee benefits expense		(1,574,343)	(1,837,573)
Fair value loss on financial assets	19	(1,796,488)	-
Corporate consultants/public relations expense		(86,409)	(95,189)
ASX listing and share registry expense		(174,099)	(164,236)
Other expenses		(357,071)	(341,055)
LOSS BEFORE INCOME TAX EXPENSE		**(2,806,911)**	**(2,576,716)**
Income tax benefit		-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(2,806,911)**	**(2,576,716)**
DISCONTINUED OPERATIONS			
Loss after income tax for the period from discontinued operations	18	(3,786,351)	(240,174)
LOSS ATTRIBUTED TO MEMBERS OF THE PARENT ENTITY		**(6,593,262)**	**(2,816,890)**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		**(6,593,262)**	**(2,816,890)**
		Cents	Cents
LOSS PER SHARE			
Basic and diluted loss for the year per share	13	(2.93)	(1.37)
LOSS PER SHARE FOR CONTINUING OPERATIONS			
Basic and diluted loss for the year per share	13	(1.25)	(1.37)

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	CONSOLIDATED GROUP	
		2021	2020
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	6,239,099	8,114,682
Prepayments		18,986	20,283
Trade and other receivables	7	497,738	316,404
Financial assets	19	2,692,644	-
		9,448,467	8,459,695
Assets of disposal groups classified as held for sale	18	10,018,006	1,580,069
TOTAL CURRENT ASSETS		**19,466,473**	**10,039,931**
NON-CURRENT ASSETS			
Intangible assets		140,208	89,987
Property, plant and equipment		55,589	59,563
Right to use asset – office Lease		30,090	-
Exploration and evaluation expenditure	9	-	15,069,074
TOTAL NON- CURRENT ASSETS		**225,887**	**15,218,624**
TOTAL ASSETS		**19,692,360**	**25,258,555**
CURRENT LIABILITIES			
Trade and other payables	10	249,471	207,991
Lease liability		10,341	-
Deposit received in advance for the sale of the Leigh Creek Magnesia Project	18	-	250,000
Employee entitlements	11	296,024	217,629
		555,836	675,620
Liabilities of disposal groups classified as held for sale	18	85,894	267
TOTAL CURRENT LIABILITIES		**641,730**	**675,887**
NON-CURRENT LIABILITIES			
Lease liability		19,749	-
Employee entitlements	11	71,228	41,970
TOTAL NON-CURRENT LIABILITIES		**90,977**	**41,970**
TOTAL LIABILITIES		**732,707**	**717,857**
NET ASSETS		**18,959,653**	**24,540,698**
EQUITY			
Issued capital	12	33,093,217	32,485,250
Reserves	14	1,388,813	1,237,000
Accumulated losses		(15,522,377)	(9,181,552)
TOTAL EQUITY		**18,959,653**	**24,540,698**

The accompanying notes form part of the financial statements.

Financial **Information**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital $	Retained Earnings $	Share Based Payments Reserve $	Acquisition Reserve $	Total $
BALANCE AT 1 JULY 2019	**23,873,09**	**(6,389,360)**	**24,698**	**240,000**	**17,748,431**
Fair value of performance rights issued in prior period	-	-	997,000	-	89,066
Shares issued during the year (net of costs)	8,612,157	-	-	-	8,612,157
Transactions with owners	**32,485,250**	**(6,389,360)**	**1,021,698**	**240,000**	**23,357,588**
Transfer of share based payments reserve to retained earnings [1]	-	24,698	(24,698)	-	-
Total loss for the year	-	(2,816,890)	-	-	(2,816,890)
Other comprehensive income	-	-	-	-	-
BALANCE AT 30 JUNE 2020	**32,485,250**	**(9,181,552)**	**997,000**	**240,000**	**24,540,698**

1 Relates to share-based payments expense for lapsed performance rights.

	Issued Capital $	Retained Earnings $	Share Based Payments Reserve $	Acquisition Reserve $	Total $
BALANCE AT 1 JULY 2020	**32,485,250**	**(9,181,552)**	**997,000**	**240,000**	**24,540,698**
Fair value of unlisted options issued during the period	-	-	404,250	-	404,250
Shares issued during the year (net of costs)	607,967	-	-	-	607,967
Transactions with owners	**33,093,217**	**(9,181,552)**	**1,401,250**	**240,000**	**25,552,915**
Transfer of share- based payments reserve to retained earnings [1]	-	252,437	(252,437)	-	-
Total loss for the year	-	(6,593,262)	-	-	(6,593,262)
Other comprehensive income	-	-	-	-	-
BALANCE AT 30 JUNE 2021	**33,093,217**	**(15,522,377)**	**1,148,813**	**240,000**	**18,959,653**

1. Relates to share-based payments expense associated with options that have been exercised into shares.

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	CONSOLIDATED GROUP	
		2021	2020
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Innovation grant received		47,129	-
Payments to suppliers and employees		(1,569,847)	(1,176,997)
Payments for Advanced Materials research related expenditure		(974,024)	(465,920)
Interest received		10,225	5,630
Research and development tax concession		238,859	102,421
Commonwealth Government COVID Stimulus		50,000	50,000
NET CASH USED IN OPERATING ACTIVITIES	*16*	**(2,197,658)**	**(1,484,866)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(40,801)	(26,204)
Payments for intellectual property		(56,275)	(27,669)
Payment received from the sale of non-current assets	17	150,000	-
NET CASH PROVIDED BY / (USED) IN INVESTING ACTIVITIES		**52,924**	**(53,873)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	*12*	607,967	8,612,157
Payment of lease liability		(1,750)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**606,217**	**8,612,157**
CASH FLOWS (USED) / PROVIDED BY DISCONTINUED OPERATIONS	**18**	**(337,066)**	**345,515**
Net increase / (decrease) in cash held		(1,875,583)	7,418,933
Cash at the beginning of the year		8,114,682	695,749
CASH AT THE END OF THE FINANCIAL YEAR	*6*	**6,239,099**	**8,114,682**

The accompanying notes form part of the financial statements.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Archer Materials Limited is a for profit entity for the purposes of preparing the financial statements. The financial report has been presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Principles of Consolidation

The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A list of controlled entities is contained in Note 8 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included/(excluded) from the date control was obtained/(ceased).

All inter-group balances and transactions between entities in the consolidated group, including any recognised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with those adopted by the parent entity.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 17 and Note 18. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which if applicable, will be shown within borrowings in current liabilities on the Statement of Financial Position.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Where a decision is made to proceed with development the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Property, plant and equipment

Property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which are they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Non-Current Asset	Depreciation Rate	Basis of Depreciation
Plant and Equipment	10 – 33%	Straight Line
Buildings	2%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.
The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with finite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs

Research costs are expensed as incurred and included in the statement of profit or loss as research and development costs. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually

Patents and licences

The Group made upfront payments to purchase patents and licences and also pay for on-going patent prosecution costs. The Licences have been granted for patents which are undergoing prosecution by the relevant government agencies and the Company also owns a patent undergoing prosecution.

Patents have a life of up to 20 years and are assessed on a case by case basis. Licences for the use of intellectual property are granted for periods ranging between three and five years depending on the specific licences. The licences require an annual fee to be paid to continue to access the licenses. As a result, those licences are assessed as having an indefinite useful life.

A summary of the policies applied to the Group's intangible assets is, as follows:

	Licences	Patents
Useful lives	Finite (5 years)	Finite (17 years)
Amortisation method used	Amortised on a straight-line basis over the period of the licence	Amortised on a straight-line basis over the period of the patent
Internally generated or acquired	Acquired	Acquired

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year/period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. Those cashflows are discounted using market yields on high quality corporation bonds with terms to maturity that match the expected timing of cashflows.

Share-based Payments

Equity-settled transactions

The Company provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The Company currently provides benefits under a Performance Rights and Share Option Plan.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

i) the extent to which the vesting period has expired; and

ii) the number of awards that, in the opinion of the directors, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and rights is reflected as additional share dilution in the computation of earnings per share.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Financial Instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Income Tax

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset recognised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Archer Materials Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2007.

Research and Development Tax Concession

To the extent that research and development costs are eligible activities under the “Research and development tax incentive” programme, a refundable tax offset is available for companies with annual turnover of less than $20 million. The Group recognises refundable tax offsets received in the financial year as R&D tax concession income in statement of profit or loss, resulting from the monetisation of available tax losses that otherwise would have been carried forward. These amounts are recognised at their fair value only to the extent that where there is reasonable assurance that the incentive will be received.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax Office.

Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Group.

Key estimates

(i) Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost of disposal calculations which incorporate various key assumptions.

Impairment expense of $4,928,249 was recognised in respect of non-current exploration and evaluation assets (and included within 'Loss after income tax from discontinued operations' on the Statement of Profit or Loss and other Comprehensive income) for the year ended 30 June 2021 (2020: $353,782).

Impairment recognised for the year ended 30 June 2021 reflects the directors' assessment of the recoverable amount of these assets pursuant to the sale transaction with iTech Minerals Limited (refer to Note 18 for further details regarding the sale transaction with iTech Minerals Limited).

The impairment recognised in the prior year ended 30 June 2020 related to relinquishment of the tenement(s) to which expenditure had been previously capitalised. The impairment expense for both the current and prior year have been reclassified as part of the 'loss from discontinued operations' on the Statement of Profit or Loss and Other Comprehensive Income, with the underlying exploration and evaluation assets also reclassified as 'assets of disposal groups held for sale' on the Statement of Financial Position.

(ii)Exploration and evaluation expenditure

The Group's policy for exploration and evaluation is discussed separately in Note 1. The application of this policy requires the Directors to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, the Directors conclude that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off though the Statement of Profit or Loss.

(iii) Research and development (R&D) tax concession

The Group is entitled to claim R&D tax incentives in Australia. The R&D tax incentive is calculated using the estimated expenditures multiplied by a 43.5% non-refundable tax offset. It has been established that the conditions of the R&D incentive have been met and that the expected amount of the incentive can be reliably measured. Estimated amounts receivable are recognised as income.

Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation of the current financial year.

Adoption of New and Revised Accounting Standards

At the date of authorisation of these financial statements, several new Standards and amendments to existing Standards, and Interpretations have been published by the AASB.

IFRIC Interpretation to AASB 138 Intangible Assets Configuration or Customisation Costs in a Cloud Computing arrangement. This interpretation in March 2021 provided further guidance on the accounting treatment of Cloud Computing Costs. As the Group does not have significant or complex systems the interpretation did not have an impact on the Group.

Management have adopted all relevant pronouncements, as applicable, for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

The financial report was authorised for issue on 23 September 2021 by the Board of Directors.

NOTE 2 - OTHER INCOME	CONSOLIDATED GROUP	
	30 JUNE 2021	30 JUNE 2020
	$	$
Interest received	11,293	9,959
Gain on sale of non-current assets – sale to ChemX Materials Pty Ltd (refer Note 17)	1,661,737	-
Commonwealth innovation grant	47,129	-
Commonwealth COVID Cashflow Stimulus	-	100,000
TOTAL OTHER INCOME	**1,720,159**	**109,959**
Total income	1,720,159	109,959

NOTE 3 – INCOME TAX BENEFIT / (LOSS)	30 JUNE 2021	30 JUNE 2020
	$	$
a) The components of income tax benefit comprise:		
Current tax	-	-
b) The prima facie tax on loss from before income tax is reconciled to the income tax as follows: 30% (2020: 30%):		
Net loss from continuing operations	(2,806,911)	(2,576,716)
Net loss from discontinued operations	(3,786,351)	(240,174)
Total loss from continued and discontinued operations	(6,593,262)	(2,816,890
Income tax rate	30%	30%
Prima facie tax benefit on loss from activities before income tax	(1,977,979)	(845,067)
Non-deductible expenses	(140,298)	238,859
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	2,118,277	916,725
Income tax attributable to operating loss from continued and discontinued operations	-	-
c) Unused tax losses for which no deferred tax asset has been recognised at 30%	7,793,904	5,675,627

NOTE 4 – KEY MANAGEMENT PERSONNEL COMPENSATION

a) Names and positions held of consolidated entity key management personnel in office at any time during the financial year are:

Mr Greg English	Chairman – Executive	
Ms Alice McCleary	Director – Non-executive	*(will retire at the 2021 AGM)*
Mr Kenneth Williams	Director – Non-executive	*(appointed 28 September 2020)*
Mr Paul Rix	Director – Non-executive	*(resigned 30 October 2020)*
Dr Mohammad Choucair	Chief Executive Officer	
Mr Damien Connor	Chief Financial Officer & Company Secretary	

Other than the directors and officers of the company listed above, there are no additional key management personnel.

b) Key Management Personnel Compensation

Refer to the Remuneration Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP).

The aggregate remuneration of KMP of the Group during the year is as follows:

	30 JUNE 2021 $	30 JUNE 2020 $
Short term benefits	952,376	810,442
Post-employment benefit	77,488	64,984
Termination benefits	-	-
Share - based payments	404,250	759,850
	1,434,114	1,635,256

NOTE 5 – AUDITOR REMUNERATION

During the year ended 30 June 2021, total fees paid or payable for services provided by Grant Thornton Audit Pty Ltd and its related practices were as follows:	30 JUNE 2021 $	30 JUNE 2020 $
Audit Services		
Audit and review of Financial Reports	43,850	43,850

No non audit services were provided.

NOTE 6– CASH AND CASH EQUIVALENTS

	30 JUNE 2021 $	30 JUNE 2020 $
Short term deposits	1,081,618	1,120,556
Cash at bank and on hand	5,157,481	6,994,126
	6,239,099	8,114,682

The effective interest rate on short term bank deposits at 30 June 2021 is 0.81% (30 June 2020: 1.51%).
The Group's exposure to interest rate risk is summarised at Note 24.

NOTE 7– TRADE AND OTHER RECEIVABLES	30 JUNE 2021	30 JUNE 2020
	$	$
Research and development tax receivable	467,662	238,859
Other receivables	30,076	85,872
	497,738	324,731

NOTE 8 – INVESTMENT IN CONTROLLED ENTITIES	Country of Incorporation	Percentage Owned	
		30 JUNE 2021	30 JUNE 2020
		%	%
PARENT ENTITY			
- Archer Materials Limited	*Australia*		
Subsidiaries of Archer Materials Limited:			
- Pirie Resources Pty Ltd [1]	*Australia*	100	100
- Archer Pastoral Company Pty Ltd [1]	*Australia*	100	100
- SA Exploration Pty Ltd [1]	*Australia*	100	100
- Archer Energy and Resources Pty Ltd	*Australia*	100	100
- Carbon Allotropes Pty Limited	*Australia*	100	100
- Archer Metals Pty Ltd [2]	*Australia*	100	-
- Archer IOCG Pty Ltd [2]	*Australia*	100	-
- Leigh Creek Magnesite Pty Ltd [3]	*Australia*	-	100
- CH Magnesite Pty Ltd [3]	*Australia*	-	100

1 During the year ended 30 June 2021, the Company executed a legally binding share sale agreement with iTech Minerals Pty Ltd (iTech) for the sale of all of the subsidiary companies that hold Archer's mineral tenements. Shareholders approved the sale of Pirie Resources Pty Ltd, Archer Pastoral Company Pty Ltd and SA Exploration Pty Ltd, at the General Meeting of Shareholders held on 30 August 2021. The transaction is expected to complete mid to late October 2021.

2 Incorporated on 9 October 2020 as wholly owned subsidiaries of Archer.

3 In August 2020, the Company completed the transaction for the sale of subsidiaries that hold the Leigh Creek Magnesia Project tenements. (Refer to Note 18).

NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURE	30 JUNE 2021	30 JUNE 2020
	$	$
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation at cost	-	15,069,074
Movements in carrying amounts:		
Balance at the beginning of the year	15,069,074	14,500,289
Amounts capitalised during the year	199,634	943,106
Impairment expense during the year	(4,948,249)	(350,609)
Transferred to assets held for sale [1]	(10,000,000)	(23,712)
Disposal of assets to ChemX Materials Pty Ltd [2]	(320,459)	-
Balance at 30 June	-	15,069,074

[1] Exploration and evaluation assets associated with the sale of the Company's remaining tenements to iTech Minerals Limited have been reclassified as 'assets of disposal groups classified as held for sale' on the Statement of Financial Position. Refer Note 18 for further details of the sale transaction with iTech Minerals Limited. The prior period represents the reclassification of exploration and evaluation assets associated with the sale of the Leigh Creek Magnesia Project (refer Note 18).

[2] Sale of EL5815 (Waddikee) and EL5920 (Carappee Hill) to ChemX Materials Ltd. Refer Note 17 for further details of the sale transaction with ChemX Materials Ltd.

No equipment depreciation was included in the amount capitalised as exploration and evaluation during the year (2020: $10,563).

NOTE 10 – TRADE AND OTHER PAYBLES	30 JUNE 2021	30 JUNE 2020
	$	$
Trade payables	84,023	124,484
Other receivables	165,448	83,507
	249,471	207,991

NOTE 11 – EMPLOYEE ENTITLEMENTS	30 JUNE 2021	30 JUNE 2020
	$	$
Current – annual leave, long service leave & bonus provision	296,024	217,629
Non-current - long service leave	71,228	41,970
	367,252	259,599

NOTE 12 – ISSUED CAPITAL	Consolidated group 30 JUNE 2021 $	30 JUNE 2020 $
227,506,546 (2020: 224,354,823) fully paid ordinary shares	33,093,217	32,485,250

a) Shares on issue:
30 June 2021

Issued and paid up capital	Number	$
Fully paid ordinary shares	227,506,546	33,093,217
Movements in fully paid shares		
Balance as at 1 July 2020	224,354,823	32,485,250
Shares issued - exercise of options (18 September 2020)	300,000	57,870
Shares issued - exercise of options (16 October 2020)	181,723	35,054
Shares issued - exercise of options (11 December 2020)	300,000	57,870
Shares issued - exercise of options (29 January 2021)	500,000	96,450
Shares issued - exercise of options (19 February 2021)	300,000	57,870
Shares issued - exercise of options (19 March 2021)	100,000	19,290
Shares issued - exercise of options (17 June 2021)	1,470,000	283,563
Balance as at 30 June 2021	227,506,546	33,093,217

Shares on issue:
30 June 2020

Issued and paid up capital	Number	$
Fully paid ordinary shares	224,354,823	32,485,250
Movements in fully paid shares		
Balance as at 1 July 2019	196,304,283	23,873,093
Shares issued - vested and exercised performance rights (8 July 2019)	787,500	-
Shares issued - Share Purchase Plan (13 December 2019)	15,327,790	1,992,600
Shares issued - Share Purchase Plan (13 December 2019)	100,000	19,290
Shares issued - exercise of options (12 May 2020)	830,000	160,107
Shares issued - exercise of options (18 May 2020)	400,000	77,160
Shares issued - exercise of options (26 June 2020)	10,605,250	6,363,000
Balance as at 30 June 2020	224,354,823	32,485,250

NOTE 12 – ISSUED CAPITAL.........CONTINUED

(b) Options on issue.

All options on issue are unlisted options (Options). Details of the Options outstanding as at the end of the year are set out below:

Issued To	Issue Date	Grant Date	Number of Options Granted	Option Exercise Price	Expiry Date	Balance at 30 June 2021	Balance at 30 June 2020
DIRECTORS & CEO [1]	12/11/2019	30/10/2019	11,500,000	$0.1929	31/03/2023	9,000,000	11,170,000
OTHER EMPLOYEES	12/11/2019	12/11/2019	6,000,000	$0.1929	31/03/2023	4,018,277	5,000,000
DIRECTOR	30/11/2020	30/11/2020	1,500,000	$0.7695	31/03/2024	1,500,000	-
CONSULTANT	07/02/2020	05/02/2019	2,000,000	$0.245	31/03/2023	-	2,000,000
			21,000,000			14,518,277	18,170,000

[1] In accordance with Australian Accounting Standard AASB 2, the deemed grant date for the Options issued to Directors and CEO was the date the Company received shareholder approval, being 30 October 2019.

All Options are unlisted and are exercisable into fully paid ordinary shares in the Company on a one for one basis.

On 12 November 2019, 17,500,000 Options were issued to Directors and employees of Archer following shareholder approval at the Company's Annual General Meeting held on 30 October 2019 (2019 AGM). Options were granted at no cost to the recipients and vest immediately upon issue.

Options granted during the year

On 30 November 2020, a further 1,500,000 Options were issued to Director Kenneth Williams following shareholder approval at the Company's Annual General Meeting held on 30 November 2020 (2020 AGM).

Options exercised during the year

During the reporting period 3,151,723 Options were exercised into fully paid ordinary shares.

Options forfeited during the year

During the reporting period 2,000,000 Options previously issued to a consultant were forfeited. The Options were exercisable at $0.245 each end expiry date of 31 March 2023, and subject to particular vesting conditions. The Options did not vest and were forfeited in accordance with the terms on which they were issued.

No further Options were issued, exercised or forfeited during the reporting period.

See Note 15 for further details regarding movements in Options during the current and prior reporting periods.

c) Performance Rights (Rights) on issue

There were no Rights on issue during the reporting period and no Rights are on issue at the date of this report

d) Capital Management

Management effectively manages the Group's capital and capital structure by assessing the Group's financial risks through regular monitoring of budgets and forecast cashflows. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business, including through the issue of shares. The Group's capital is shown as issued capital in the statement of financial position. The Group is not subject to any external capital restrictions.

NOTE 13 – LOSS PER SHARE	30 JUNE 2021	30 JUNE 2020
	$	$
Reconciliation of earnings to Statement of Profit or Loss and other Comprehensive Income		
Loss for year used to calculate basic EPS	(6,593,262)	(2,816,890)
	Number	***Number***
a) Weighted average number of shares outstanding during the year used in calculation of basic EPS	225,278,694	205,591,058
b) In accordance with AASB 133 "Earnings per Share" as potential ordinary shares may only result in a situation where their conversion results in a decrease on profit per share or increase in loss per share, no dilutive effect has been taken into account.		

NOTE 14 – RESERVES	30 JUNE 2021	30 JUNE 2020
	$	$
Share based payment reserve	1,148,813	997,000
Acquisition Reserve	240,000	240,000
Total	1,388,813	1,237,000

The share based payments reserve records items recognised as an expense on valuation of options or performance rights. Refer Note 15 for further details regarding the movement in options issued during the reporting period.

The acquisition reserve represents the fair value of consideration paid for the Company's previous acquisition of Carbon Allotropes Pty Limited.

NOTE 15 – SHARE BASED PAYMENTS

A) UNLISTED OPTIONS 30 JUNE 2021

Options and weighted average exercise prices are as follows for the reporting period presented:

30 JUNE 2021	Number of Options	30 JUNE 2021	WEIGHTED AVERAGE EXERCISE PRICE PER OPTION
		$	$
Opening Balance	18,170,000	$997,000	$0.1986
Granted	1,500,000	$404,250	$0.7695
Exercised	(3,151,723)	($252,437) [1]	$0.1929
Forfeited	(2,000,000)	-	$0.2450
Total	14,518,277	$1,148,813	$0.2514

Weighted average remaining contractual life of Options at 30 June 2021 is 2.65 years.

[1] An amount of $252,437 was written-back to retained losses, relating to previous share-based payments expense associated with options that were exercised into shares during the current and prior reporting periods.

NOTE 15 – SHARE BASED PAYMENTS......CONTINUED

Options granted during the year ended 30 June 2021

On 30 November 2020, 1,500,000 unlisted options to acquire fully paid ordinary shares in the Company (Options) were issued to Director Kenneth Williams following shareholder approval at the Company's Annual General Meeting held on 30 November 2020 (2020 AGM). Options were granted at no cost to the recipient and vest immediately upon issue. The Options are exercisable at $0.7695 each and expire on 31 March 2024. The Options vested on the date of issue and had a fair value at the date of grant of $404,250.

The Options were granted pursuant to the Company's Performance Rights and Share Option Plan, which was approved by shareholders at the Annual General Meeting held on 30 October 2019.

The details of the Options granted are as follows:

Recipient	Grant Date	Issue Date	Number of Options	Exercise Price	Expiry Date
Director	30 Nov 20	30 Nov 20	1,500,000	$0.7695	31 Mar 24

The fair value of the Options issued was calculated by using a Black-Scholes option pricing model and was estimated on the date of the grant using the following assumptions:

	Director Options
Share price at date of grant ($)	0.53
Historic volatility (%)	89.6
Risk free interest rate (%)	0.11
Expected life of Options (days)	1217

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the Options is based on the historical exercise patterns, which may not eventuate in the future.

As the Options do not require the satisfaction of vesting conditions, these options vest immediately and an amount of $404,250 has been included in the Statement of Profit or Loss and Other Comprehensive Income under employee benefits expense for the year ended 30 June 2021.

Options exercised during the year ended 30 June 2021

During the year 3,151,723 Options (exercise price of $0.1929 and expiry date of 31 March 2023) were exercised into shares.

Options forfeited during the year ended 30 June 2021

During the year, 2,000,000 Options previously issued to a consultant were forfeited. The Options were exercisable at $0.245 each end expiry date of 31 March 2023, and subject to particular vesting conditions. The Options did not vest and were forfeited in accordance with the terms on which they were issued. No amount was recorded in the Statement of Profit or Loss in the prior year given the Options were not able to be vested as at that balance date.

NOTE 15 – SHARE BASED PAYMENTS......CONTINUED

Options and weighted average exercise prices are as follows for the year ended 30 June 2020:

30 JUNE 2020	Number of Options	30 JUNE 2020	WEIGHTED AVERAGE EXERCISE PRICE PER OPTION
		$	$
Opening Balance	-	-	-
Granted	19,500,000	$997,000	$0.1982
Exercised	(1,330,000)	-	$0.1929
Forfeited/Lapsed	-	-	-
Total	18,170,000 [1]	$977,000	$0.1929

Weighted average remaining contractual life of Options at 30 June 2020 is 2.75 years.

Options issued during the prior year ended 30 June 2020

On 12 November 2019, 17,500,000 unlisted options to acquire fully paid ordinary shares in the Company (Options) were issued to Directors and employees of Archer following shareholder approval at the Company's Annual General Meeting held on 30 October 2019 (2019 AGM). Options were granted at no cost to the recipients and vest immediately upon issue.

Options were granted pursuant to the Company's Performance Rights and Share Option Plan, which was approved by shareholders at the 2019 AGM.

The details of the Options granted are as follows:

Recipient	Grant Date	Issue Date	Number of Options	Exercise Price	Expiry Date
Directors & CEO	30 Oct 19 [1]	12 Nov 19	11,500,000	$0.1929	31 Mar 23
Other Employees	12 Nov 19	12 Nov 19	6,000,000	$0.1929	31 Mar 23

[1] In accordance with Australian Accounting Standard AASB 2, the deemed grant date for the Options issued to Directors and CEO was the date the Company received shareholder approval, being 30 October 2019.

The fair value of the Options issued was calculated by using a Black-Scholes option pricing model and was estimated on the date of the grant using the following assumptions:

	Directors and CEO Options	Other Employees Options
Share price at date of grant ($)	0.135	0.125
Historic volatility (%)	77.2	75.7
Risk free interest rate (%)	0.78	0.84
Expected life of Options (days)	1235	1235

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the Options is based on the historical exercise patterns, which may not eventuate in the future.

As the options do not require the satisfaction of vesting conditions, these options vest immediately and an amount of $997,000 was included in the Statement of Profit or Loss and Other Comprehensive Income under employee benefits expense for the year ended 30 June 2020.

NOTE 15 – SHARE BASED PAYMENTS......CONTINUED

Options exercised during the prior year ended 30 June 2020

During the prior year ended 30 June 2020, 1,330,000 Options (exercise price of $0.1929 and expiry date of 31 March 2023) were exercised into shares.

Options forfeited during the prior year ended 30 June 2020

No options were forfeited during the prior year ended 30 June 2020

B) PERFORMANCE RIGHTS (RIGHTS)	Number of Rights	Number of Rights
	30 JUNE 2021	30 JUNE 2020
Opening Balance	-	1,050,000
Granted	-	-
Exercised	-	(787,500)
Forfeited	-	(262,500)
Closing Balance	-	-

There were no Rights on issue at any time during the reporting period. During the prior period ended 30 June 2020, an amount of $24,698 relating to previously recognised share-based payments was transferred to retained losses in respect of Rights that were exercised into shares or forfeited.

NOTE 16 – CASH FLOW INFORMATION	30 JUNE 2021	30 JUNE 2020
A) RECONCILIATION OF CASH FLOWS FROM CONTINUING OPERATIONS WITH LOSS AFTER INCOME TAX	$	$
Loss after income tax	(2,806,911)	(2,576,717)
Depreciation (net of capitalised depreciation)	26,244	15,257
Amortisation of intangibles	6,054	6,304
Fair Value loss on investment in Volatus (Note 19)	1,796,488	-
Share based payments - to employees	404,250	997,000
Gain on sale of non-current assets (Note 17)	(1,661,737)	-
Changes in assets and liabilities:		
- Increase in trade and other receivables	(180,034)	(62,156)
- Increase in trade and other payables	110,336	24,157
- Increase in employee entitlements	107,652	111,289
Net cash used in operating activities from continuing operations	(2,197,658)	(1,484,866)

B) NON-CASH FINANCING AND INVESTING ACTIVITIES

There were no non-cash financing and investing activities undertaken during the current or prior reporting periods.

NOTE 16 – CASH FLOW INFORMATION......CONTINUED

DISCONTINUED OPERATIONS	30 JUNE 2021	30 JUNE 2020
A) RECONCILIATION OF CASH FLOWS FROM DISCONTINUED OPERATIONS WITH LOSS AFTER INCOME TAX	$	$
Loss after income tax	(3,786,351)	(240,174)
Depreciation	10,563	-
Impairment of exploration assets (Note 18)	5,015,996	353,782
Gain on sale of non-current assets – Sugarloaf land (Note 18)	-	(130,584)
Gain on sale of disposal group held for sale -Leigh Creek Magnesia Project (Note 18)	(1,244,299)	-
Changes in assets and liabilities:		
- (Decrease) / Increase in trade and other payables	(17,804)	267
Net cash used in discontinued operating activities (Note 18)	(21,895)	(16,709)
Net cash (used) / from discontinued investing activities (Note 18)	(315,172)	362,224
Total cash (used) / from discontinued operations	(337,067)	345,515

NOTE 17 – SALE OF NON-CURRENT ASSETS

During the reporting period the Company signed a legally binding sale agreement (“Agreement”) with private company ChemX Materials Ltd (“ChemX”) (formerly Baudin Minerals Pty Ltd and Nextgen Materials Pty Ltd) ("Buyer") for the sale of the mineral exploration licences EL 5815 (Waddikee) and EL 5920 (Carappee Hill) located on the Eyre Peninsula in South Australia ("Sale Tenements") (ASX Ann. 22 Dec 2020).

On 18 June 2021, the Company announced that it has completed the sale and purchase of the Sale Tenements to ChemX. At completion, the Company received 9.25 million ChemX shares at an issue price of $0.20 per share for a total value of $1.85 million.

The terms of the sale ChemX sale agreement were detailed in two ASX announcements (ASX ann. 22 Dec 2020 and 15 Mar 2021). In summary, the purchase price payable by ChemX for the purchase of the Sale 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 ChemX shares; plus
- bonus payment equal to 5% of the enterprise value of ChemX at the time of ASX listing, paid in cash or shares at the election of ChemX; plus
- a 2% Net Smelter Return royalty (“Royalty”) on the value of all minerals (excluding graphite) extracted from the Sale Tenements.

Carrying amounts of non-current assets sold

Assets	Total $
Carrying value of non-current assets sold	320,459
	320,459

Consideration received:	
Cash received	150,000
Fair value of equity received in ChemX Materials Ltd	1,850,000
Total consideration received	**2,000,000**
Legal costs	(17,804)
Gain on sale of non-current assets	**1,661,737**

NOTE 18 – DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

	30 JUNE 2021 $	30 JUNE 2020 $
Sale of subsidiaries to iTech Minerals Limited (A)	(5,030,650)	(226,435)
Sale of the Leigh Creek Magnesia Project (B)	1,244,299	(13,738)
	(3,786,351)	**(240,174)**

DISPOSAL GROUP A - SALE OF SUBSIDIARIES TO ITECH MINERALS LTD

On 12 April 2021, the Company announced that it had signed a legally binding share sale agreement with iTech Minerals Pty Ltd ("iTech") for the sale of all of the three subsidiary companies that hold Archer's remaining mineral tenements (the "Transaction"). At completion of the sale, the Company will receive 50 million iTech shares (with a value of $0.20 per iTech share), which the Company will disperse to Archer shareholders by way of a pro-rata in-specie distribution. The Company will not hold any iTech shares after completion of the Transaction.

iTech has lodged a prospectus and is in the middle of an initial public offering ("IPO") to raise a minimum of $5 million and a maximum of $7 million with the IPO offer scheduled to close on 6 October 2021. After the IPO, iTech intends to list on ASX ("Listing").

Completion of the Transaction was subject to the satisfaction or waiver of certain conditions precedent with Listing yet to be satisfied. Completion and the in-specie distribution of iTech shares will not take place if Listing does not occur. The Transaction (including the conditions precedent) is described in detail in a Notice of Meeting lodged with ASX on 30 July 2021.

During the year, the carrying value of the exploration assets being sold to iTech were impaired to an amount of $10,000,000 (reflecting the value of consideration to be received for the sale) and have been classified as 'assets of disposal groups held for sale' on the Statement of Financial Position. Accordingly, an impairment expense of $4,928,249 has been recognised and included in the Statement of Profit or Loss and Other Comprehensive Income as 'loss from discontinued operations', to write-down the value of those assets to the value of the consideration expected to be received for those assets (being $10,000,000).

The combined net operating loss of SA Exploration Pty Ltd, Pirie Resources Pty Ltd and Archer Pastoral Company Pty Ltd are shown below:

	30 JUNE 2021 $	30 JUNE 2020 $
Profit on sale of assets - Sugarloaf Land	-	130,584
Interest income	734	1,658
Impairment of exploration assets	(4,948,249)	(353,782)
Exploration expenditure expensed	(67,747)	(3,173)
Depreciation	(10,563)	-
Other expenses	(4,825)	(4,895)
Loss for year from discontinued operations before tax	**(5,030,650)**	**(226,435)**

NOTE 18 – DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS .....CONTINUED

The combined assets and liabilities of SA Exploration Pty Ltd, Pirie Resources Pty Ltd and Archer Pastoral Company Pty Ltd are shown below:

Statement of financial position	**30 JUNE 2021**	**30 JUNE 2020**
	$	**$**
Other current assets	8,324	-
Non-current plant and equipment	9,682	-
Non-current exploration assets [1]	10,000,000	-
Assets of the disposal group held for sale	**10,018,006**	-
Current trade payables	85,894	-
Liabilities included in disposal group held for sale	**85,894**	**-**

[1] During the year the non-current exploration assets were impaired, to reflect the recoverable amount of these assets pursuant to the iTech Transaction.

Cash flows generated by SA Exploration Pty Ltd, Pirie Resources Pty Ltd and Archer Pastoral Company Pty Ltd are shown below:	**30 JUNE 2021**	**30 JUNE 2020**
	$	**$**
Operating activities	(21,895)	(16,709)
Investing activities	(315,172)	362,224
Net cash used in discontinued operations	**(337,067)**	**(345,515)**

DISPOSAL GROUP B - SALE OF THE LEIGH CREEK MAGNESIA PROJECT:

On 14 August 2020, the Company announced the Completion of the sale of the Leigh Creek Magnesia Project ("Project"). At Completion the Company received 6,535,775 shares ("Consideration Shares") in Canadian Stock Exchange listed Volatus Capital Corp. ("Volatus"). The Consideration Shares have a value of $2.64 million(1) and can be traded for the first time only after four months have elapsed from the date of distribution.

Archer has received $2.89 [(1)] million for the Project, comprising:

- $250,000 cash already received; plus
- $2.0 million of Volatus shares at Completion; plus
- Bonus payment of $639,133 of Volatus shares at Completion.

Archer may be entitled to receive a further bonus payment should there be a future transaction with the other company that purchased the remainder of the Project.

[(1)] Assumes Volatus share price of A$0.40, AUD:CDN exchange rate of $0.9584 and 6,535,775 Consideration Shares issued to Archer.

NOTE 18 – DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS .....CONTINUED

Carrying amounts of net assets over which control was lost

Assets	**Total $**
Held for sale assets – as disclosed in 2020	1,580,817
	1,580,817
Liabilities	-
Net assets disposed	**1,580,817**

Consideration received:	
Cash received	250,000
Fair value of equity received in Volatus	2,639,132
Total consideration received	**2,889,132**
Legal costs	64,016
Gain on disposal group classified as held for sale assets	**1,244,299**

NOTE 19 – OTHER FINANCIAL ASSETS	**30 JUNE 2021**	**30 JUNE 2020**
	$	**$**
Other financial assets designated at fair value through profit or loss		
- Listed Investment in Volatus Capital Corp ("Volatus")	842,644	-
- Unlisted Investment in ChemX Minerals Ltd ("ChemX")	1,850,000	
	2,692,644	-
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	-
Additions – consideration received Volatus	2,639,132	-
Additions – consideration received ChemX	1,850,000	-
Revaluation decrements	(1,796,488)	-
Closing fair value	2,692,644	-

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative. Fair value movements are recognised in profit or loss.

The fair value of listed investments (publicly traded equity securities) are based on quoted market prices at the end of the financial year (Level 1).

The fair value of unlisted investments has been valued with reference to unobservable market data (Level 3).

NOTE 20 – OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 - Operating segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded at this time there are no separately identifiable segments. The Group operates in one segment being materials technology research and development and mineral exploration which are highly integrated. As detailed elsewhere in this report the, subsequent to the end of the year, on 30 August 2021 shareholders approved the sale of the Company's remaining exploration tenements to iTech Minerals Ltd and the pro-rata in-specie distribution of 50,000,000 iTech shares to Archer shareholders (being distribution of the consideration shares received by Archer for the sale to iTech) (refer Note 18).

NOTE 21 – CONTINGENT ASSETS, LIABILITIES & COMMITMENTS

(A) Expenditure Commitments

Expenditure commitments relating to tenements

The Group is required to meet minimum expenditure requirements of various Australian Government bodies. These obligations are subject to renegotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.

Exploration expenditure commitments	30 JUNE 2021	30 JUNE 2020
	$	$
Expenditure Commitment[1]	1,673,000	3,608,000

[1] Includes exploration expenditure commitments relating to tenements that have been classified as assets of disposal groups held for sale in the Statement of Financial Position as at 30 June 2021. Following Completion of the sale to iTech Minerals Ltd (refer Note 18) all of the above exploration expenditure commitments will be transferred to iTech Minerals Ltd.

Other than the commitments disclosed above, the Group does not have any further commitments at 30 June 2021 (30 June 2020: Nil).

(B) Contingent Assets/Liabilities

In November 2018 Archer announced the sale of its Sugarloaf farmland for $1.35 million. The transaction settled on 1 July 2019 with Archer receiving the $1.35 million sale proceeds in July 2019. The purchaser of the farm land has granted Archer an option to buy back approximately 30% of the Sugarloaf farm land, which may be required for the construction of the Sugarloaf Graphite Processing Facility ("Land Option"). The Land Option may be exercised by Archer any time before 31 December 2023. The Land Option was not assigned to iTech Minerals Ltd.

In June 2021 Archer announced the completion of the sale of tenements to ChemX Materials Ltd (refer Note 17). In addition to the consideration already received, Archer is also entitled to a bonus payment equal to 5% of the enterprise value of ChemX at the time of ASX listing, paid in cash or shares at the election of ChemX. As at the date of this report ChemX has not listed on ASX. Archer is also entitled to a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the tenements sold to ChemX.

The Group did not have any further contingent assets or liabilities as at 30 June 2021.

The Group has minimum expenditure commitments on exploration licences as per the terms of the exploration licences. Unexpended commitment for a particular year can be deferred or rolled over to subsequent years of the licence term.

NOTE 22 – TENEMENT INTERESTS

The Company's tenement interests as at 30 June 2021 are as follows:

Exploration assets classified as assets of disposal group held for sale

Each of the below tenement interests are held by the Company as at 30 June 2021, however are subject of the sale to iTech Minerals Ltd ("iTech") as detailed in Note 18.

During the year, the carrying value of the exploration assets being sold to iTech were impaired to an amount of $10,000,000 (reflecting the value of consideration to be received for the sale) and has been classified as 'assets of disposal groups held for sale' on the Statement of Financial Position. The impairment expense has been included in the Statement of Profit or Loss and Other Comprehensive Income as 'loss from discontinued operations'.

Refer to Note 18 for further details regarding the sale to iTech.

Exploration Licences and applications.

Location	Tenement	Commodity	Jurisdiction
Tenements classified as assets of disposal group held for sale:			
South Australia			
North Cowell	EL 6363	Graphite	South Australia
Cockabidnie	EL 5791	Graphite	South Australia
Wildhorse Plains	EL 6647	Graphite	South Australia
Carpie Puntha	EL 5870	Graphite	South Australia
Burra North	EL 6351	Base Metals	South Australia
Napoleons Hat	EL 6637	Copper / Gold	South Australia
Blue Hills	EL 5794	Copper / Gold	South Australia
Whyte Yarcowie	EL 5935	Cobalt / Copper	South Australia
Pine Creek	EL 6000	Copper / Gold	South Australia
Altimeter	EL 6029	Copper / Gold	South Australia
Franklyn	EL 6160	Copper / Gold	South Australia
Peterborough	EL 6287	Copper / Gold	South Australia
Bendigo	EL 6354	Copper / Gold	South Australia
Caralue Bluff	EL 6478	Kaolin	South Australia
Kings Bluff	EL6605	Gold	South Australia
Billa Kalina	EL6609	IOCG	South Australia
Royal Charlie	EL6616	Copper/Gold	South Australia
Murray	ELA167/2020	Copper/Gold	South Australia
New South Wales			
Crowie Creek	EL 8871	Copper/Gold	New South Wales
Stanthorpe	EL 8894	Tungsten/Tin	New South Wales

Other Licenses

Location	Tenement	Description
Campoona Shaft	ML 6470	Campoona Shaft - graphite mining
Sugarloaf	MPL 150	Graphite and graphene processing facility
Pindari	MPL 151	Pindari pipeline - process water for Sugarloaf

All of the above tenements and tenement applications are held 100% by Pirie Resources Pty Ltd, Archer Pastoral Company Pty Ltd and SA Exploration Pty Ltd except for EL 6647 where S Uranium Pty Ltd has the rights to explore and develop uranium projects.

NOTE 22 – TENEMENT INTERESTS .....CONTINUED

Tenements sold to ChemX Materials Pty Ltd during the year

The below tenements were not held by the Company as at 30 June 2021, following the sale of these assets to ChemX Materials Ltd during the year. The table below provides details of the tenements and associated prior year carrying value of these tenement assets. Refer to Note 17 for further details regarding the sale transaction with ChemX Materials Ltd.

Exploration Licences

Location	Tenement	Commodity	2021 Carrying value $	2020 Carrying value $
South Australia				
Carappee Hill [1]	EL 5920	Manganese	-	8,618
Waddikee [1]	EL 5815	Manganese /Kaolin	-	281,439
TOTAL			-	**290,056**

[1] Archer is to be granted a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the Tenements.

Note 9 provides details of the movement in exploration and evaluation assets during the current and prior year reporting periods, and includes a prior year reclassification of exploration and evaluation assets to 'assets of disposal groups classified as held for sale' in the Statement of Financial Position.

NOTE 23 – RELATED PARTY TRANSACTIONS

(A) Subsidiaries

Interests in subsidiaries are disclosed in Note 8.

(B) Key Management Personnel

Disclosures relating to Key Management personnel are set out in Note 4 and the Remuneration Report contained within the Directors' Report.

(C) Other transactions with related parties

Piper Alderman lawyers were paid a total of $53,099 (2020: $29,950) for legal services rendered to the Group. Mr English is a partner of Piper Alderman lawyers. The fees were at normal commercial rates.

NOTE 24 – FINANCIAL INSTRUMENTS

(A) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payables.

(B) Non-Cash Financing and Investing Activities

There were no non-cash financing and investing activities undertaken during the current or prior reporting periods.

i) Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

NOTE 24 – FINANCIAL INSTRUMENTS .....CONTINUED

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

ii) Financial Risk Exposure and Management

The main risk the group is exposed to through its financial instruments is interest rate risk.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. It is the policy of the group to keep surplus cash in high yielding deposits.

	Weighted Average Effective Interest Rate		Interest Bearing		Non Interest Bearing		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	%	%	$	$	$	$	$	$
Financial Assets								
Cash at bank	0.15%	0.40%	5,157,481	6,994,126		-	5,157,481	6,994,126
Deposits	0.81%	1.51%	1,081,618	1,120,556		-	1,081,618	1,120,556
Financial assets					2,692,644	-	2,692,644	-
Receivables				-	497,738	316,404	497,738	316,404
Total Financial Assets			**6,239,099**	**8,114,682**	**3,190,382**	**316,404**	**9,429,481**	**8,431,086**
Financial liabilities								
Payables	-	-	-	-	(279,562)	(184,422)	(279,562)	(184,422)
Lease liability	-	-	-	-	(30,090)	-	(30,090)	-
Total Financial Liabilities			**-**	**-**	**(279,562)**	**(184,422)**	**(279,562)**	**(184,422)**
Total Net Financial Assets/ (Liabilities)			**6,239,099**	**8,114,682**	**2,910,821**	**131,982**	**9,149,919**	**8,246,664**

b) Sensitivity Analysis

Interest Rate and Price Risk

The group has performed a sensitivity analysis relating to its exposure to interest rate risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

NOTE 24 – FINANCIAL INSTRUMENTS .....CONTINUED

Interest Rate Sensitivity Analysis

At 30 June 2021, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	CONSOLIDATED GROUP	
	2021 $	2020 $
Change in loss		
- Increase in interest rates by 2%	21,632	22,411
- Decrease in interest rates by 2%	(21,632)	(22,411)
Change in equity		
- Increase in interest rates by 2%	21,632	22,411
- Decrease in interest rates by 2%	(21,632)	(22,411)

c) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalent and noninterest bearing monetary financial assets and financial liabilities of the consolidated entity approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on discounting future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The balances are not materially different from those disclosed in the balance sheet of the consolidated entity.

d) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

NOTE 25 – ARCHER MATERIALS LIMITED PARENT COMPANY INFORMATION

	PARENT ENTITY	
	30 JUNE 2021 $	30 JUNE 2020 $
PARENT ENTITY		
ASSETS		
Current Assets	6,697,744	8,362,472
Financial assets	2,692,644	-
Investments in subsidiaries	266,525	266,624
Other Non-current assets	225,389	127,591
TOTAL ASSETS	**9,882,302**	**8,756,657**
LIABILITIES		
Current Liabilities	550,879	640,590
Non-current Liabilities	90,977	41,970
Loans to subsidiaries	25,269	25,269
TOTAL LIABILITIES	**667,125**	**707,829**
EQUITY		
Issued capital	33,093,217	32,485,250
Share based payment reserve	1,148,813	997,000
Acquisition reserve	240,000	240,000
Retained losses	(25,266,853)	(25,673,421)
TOTAL EQUITY	**9,215,177**	**8,048,829**
FINANCIAL PERFORMANCE		
Profit / (loss) for the year	154,131	(2,036,761)
Other comprehensive income	-	-
TOTAL PROFIT / (LOSS)	**154,131**	**(2,036,761)**

Guarantees in relation to relation to the debts of subsidiaries

Archer Materials Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiaries Pirie Resources Pty Ltd, Archer Pastoral Company Pty Ltd, Leigh Creek Magnesite Pty Ltd, Archer Energy & Resources Pty Ltd, SA Exploration Limited, CH Magnesite Pty Ltd, Carbon Allotropes Pty Limited, Archer IOCG Pty Ltd and Archer Metals Pty Ltd.

Contingent assets, liabilities and commitments

In June 2021 Archer announced the completion of the sale of tenements to ChemX Materials Ltd (refer Note 17). In addition to the consideration already received, Archer is also entitled to a bonus payment equal to 5% of the enterprise value of ChemX at the time of ASX listing, paid in cash or shares at the election of ChemX. As at the date of this report ChemX has not listed on ASX. Archer is also entitled to a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the tenements sold to ChemX.

Archer has no further contingent assets, liabilities or commitments as at 30 June 2021 (30 June 2020: Nil).

NOTE 26 – EVENTS SUBSEQUENT TO REPORTING DATE

- On 17 July 2021, 200,000 unlisted options previously issued under the Company's employee incentive scheme (exercise price of $0.1929 and expiry date of 31 March 2023) were exercised into ordinary shares.
- At the Company's General Meeting held on 30 August 2021, Archer shareholders approved the sale of the Company's remaining mineral exploration projects to iTech in return for 50 million iTech shares (Resolution 1) and the reduction of capital by way of pro-rata In-Specie Distribution of the 50 million iTech shares to eligible Archer shareholders (Resolution 2).

The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS DECLARATION

The Directors of the Company declare that:

1. the Financial Statements and Notes as set out on pages 37 to 72 are in accordance with the Corporations Act 2001 and:
   a) comply with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 1; and
   b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Consolidated Group;
2. the Executive Chairman and the Chief Financial Officer have each declared that:
   a) the financial records of the Company for the year ended have been properly maintained in accordance with section 286 of the Corporations Act 2001
   b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   c) the financial statements and notes give a true and fair view;
3. in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

GREG ENGLISH
EXECUTIVE CHAIRMAN

Adelaide
Dated this 23rd day of September 2021

Grant Thornton

Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Independent Auditor's Report

To the Members of Archer Materials Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Archer Materials Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Sale of Subsidiaries Holding Mineral Tenements to iTech Minerals Ltd – Note 18	
During the year, the Group entered into an agreement to sell three subsidiaries holding the Group's remaining mineral tenements to iTech Minerals Ltd. The consideration for this transaction is to be settled via the issue of 50 million shares in iTech Minerals Limited valued at $0.20 each and is contingent on the completion of an Initial Public Offer. As these subsidiaries hold the remaining Exploration and Evaluation assets these have been classified as Non-current assets held for sale at 30 June 2021 and presented as a discontinued operation in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. The recognition and disclosure of this transaction in the financial report is complex and required significant audit attention, as the Group was required to separate its operations between continuing and discontinued b which has a significant and pervasive impact on the financial results and report of the Group. This transaction is considered to be a key audit matter due to the size and nature of the transactions.	Our procedures included, amongst others: • Reviewed the sale agreement to understand the key terms including sale price, other sale particulars and conditions of the agreement. • Recalculated the carrying value of the assets and liabilities as identified in the sales agreements to test that these were accurately separated from the continuing business • Re-performed the calculations of the impairment write down to the carrying value of the Exploration and Evaluation assets by comparing the consideration to be received to the carrying value of the assets in the disposal group; and • Assessed the appropriateness of the Non-Current assets held for sale and discontinued operations disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Grant Thornton

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Archer Materials Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 23 September 2021

ADDITIONAL INFORMATION

Compiled as at 2 September 2021

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDER INFORMATION

Substantial Shareholders

There are no substantial shareholders in the Company with 5% or greater relevant interest in securities of the Company.

Distribution of equity securities

Number of security holders by size of holding:

Range	Ordinary Shares	Unlisted Options
1 - 1,000	2,528	-
1,001 - 5,000	3,910	-
5,001 - 10,000	1,588	-
10,001 - 100,000	2,279	-
100,001 and over	344	8
Total	**10,649**	**8**

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum $500.00 parcel at $1.73 per share	290 shares	435	59,899

VOTING RIGHTS

The voting rights attaching to each class of equity securities is set out below:

(a) Ordinary Shares: On a show of hands, every person present who is a member or proxy, attorney or representative of a member has one vote and upon a poll each share shall have one vote.

(b) Unlisted Options: No voting rights.

Additional **Information**

TWENTY LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITY

Ordinary Shares

Rank	Name	Shares	% Issued capital
1	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	7,777,919	3.42
2	GDE EXPLORATION (SA) PTY LTD <DRAGON MINING INV A/C>	7,534,798	3.31
3	CITICORP NOMINEES PTY LIMITED	4,905,226	2.15
4	INVERTON PTY LTD <ALICE MCCLEARY SUPER A/C>	3,870,761	1.70
5	MR ROGER EDWARD KOCH	2,800,000	1.23
6	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	2,606,788	1.14
7	DR MOHAMMAD CHOUCAIR	2,600,000	1.14
8	MR FORBES VALE SPRAWSON + MRS MARGARET MARY SPRAWSON	2,300,000	1.01
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,200,465	0.97
10	MR BASIL CATSIPORDAS	2,000,000	0.88
11	KOOYAP PTY LTD <YAP & FOO S/F A/C>	1,880,770	0.83
12	MR ALISTAIR CHARLES JACKSON	1,547,347	0.68
13	MRS DEBORAH ANNETTE ROSSITER	1,463,679	0.64
14	GDE EXPLORATION (SA) PTY LTD <A1 ENGLISH FAMILY A/C>	1,462,820	0.64
15	MR STEPHEN MAHNKEN + MS DIOR MAHNKEN <THREE FISH A/C>	1,428,571	0.63
16	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,325,121	0.58
17	MR DUNCAN GERARD GOWANS + MRS JODIE LOUISE GOWANS <GOWANS SUPERFUND A/C>	1,250,000	0.55
18	MR JARROD DRISCOLL <DRISCOLL BROTHERS S/F A/C>	1,132,957	0.50
19	GERARD ANDERSON SUPER PTY LTD <GERARD ANDERSON SF A/C>	1,078,041	0.47
20	CLOCKWELL PTY LTD <CLOCKWELL A/C>	1,048,063	0.46
Total		**52,213,326**	**22.93**

Corporate Governance Statement

For the Year Ended 30 June 2021

The Corporate Governance Statement for the Group has been released as a separate document and is located in the Corporate Governance section of the Company's website at: www.archerx.com.au

Corporate Directory

DIRECTORS

Greg English – Executive Chairman
Alice McCleary – Non-Executive Director
Kenneth Williams – Non-Executive Director

CHIEF EXECUTIVE OFFICER

Dr Mohammad Choucair

COMPANY SECRETARY

Damien Connor

REGISTERED OFFICE

Lot Fourteen, Frome Road, ADELAIDE SA 5000

Telephone: +61 8 8272 3288
Email: hello@archerx.com.au

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000

AUDITORS

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
ADELAIDE SA 5000

SOLICITOR

Piper Alderman
Level 16, 70 Franklin Street
ADELAIDE SA 5000

BANKERS

National Australia Bank
Level 11, 22 King William Street
ADELAIDE SA 5000

AUSTRALIAN SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange

ASX CODE: AXE

STAY IN TOUCH

Latest news, reports and presentations via email

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry electronically.

Shareholders can change their communication preferences through the registry website: www.investorcentre.com

For more information about Archer's activities, and sign up to receive the latest news, reports, presentations and ASX releases, please visit our:

Website:
https://archerx.com.au/

Sign up to our Newsletter:
http://eepurl.com/dKosXI

Twitter:
https://twitter.com/archerxau

YouTube:
https://bit.ly/2UKBBmG

ARCHER

Annual Report

FOR THE YEAR ENDED 30 JUNE 2021