

## 1. Company Details

Name of entity:	Archer Materials Limited
ABN:	64 123 993 233
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

## 2. Results for announcement to the market

	30 June 2024 \$	30 June 2023 \$	Variance \$	Variance %
Revenue from ordinary activities	-	-	-	-
Profit/(loss) from ordinary activities after tax attributable to members	(4,803,150)	(9,049,457)	4,246,307	47%
Net profit/(loss) for the period attributable to members	(4,803,150)	(9,049,457)	4,246,307	47%

### Dividends

No dividends have been paid or proposed during the current reporting period.

### Key notes

The net loss of the Group for the year ended 30 June 2024 was \$4,803,150 (2023: \$9,049,457) and includes:

- Share based payments expense of \$603,093 representing the expense associated with unlisted option vesting during the year (2023: \$5,554,843) net of forfeitures.
- Direct expenditure on quantum and biochip technology research activities (including allocation of direct personnel costs) of \$4,524,190 (2023: \$2,965,560).
- Unrealised loss associated with the fair value adjustment of Archer's share and option investments in:
  - Volatus Capital Corp (shares) as at 30 June 2024 of \$9,665 (2023: \$128,088); and
  - ChemX Materials Limited (shares and options) as at 30 June 2024 of \$297,955 (2023: \$720,303).

The above expense items are offset by:

- An income amount of \$2,135,936, being the estimated research and development tax incentive receivable based on associated expenditure for the year ended 30 June 2024, adjusted for actual amounts received the prior year tax incentive claimed (30 June 2023: \$1,498,471); and
- Interest income of \$941,147 (2023: \$677,248).

**3. Net tangible assets**

	30 June 2024 (cents)	30 June 2023 (cents)	Variance (cents)	Variance
Net tangible assets per share	8.31 cents	10.06 cents	(1.75) cents	(17%)

The net tangible assets calculation does not include rights-of-use assets of \$109,309 (30 June 2023: \$9,097) or intangible assets of \$502,754 (30 June 2023: \$353,694) but includes the lease liabilities of \$109,309 (30 June 2023: \$9,097).

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

No dividends have been paid or proposed during the current or prior reporting period.

**7. Dividend reinvestment plans**

Not applicable.

**8. Details of associates and joint venture entities**

Not applicable.

**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The Financial Statements and accompanying notes for the Group for the year ended 30 June 2024, contained in the attached Annual Report, upon which this Appendix 4E is based, have been audited by Grant Thornton Audit Pty Ltd. An unmodified audit report has been provided.

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**11. Attachments**

*Details of attachments (if any):*

The Annual Report, which includes Financial Statements and accompanying notes for the Group for the year ended 30 June 2024 is attached.

**12. Signed**

As authorised by the Board of Directors

Signed 

Date 28 August 2024

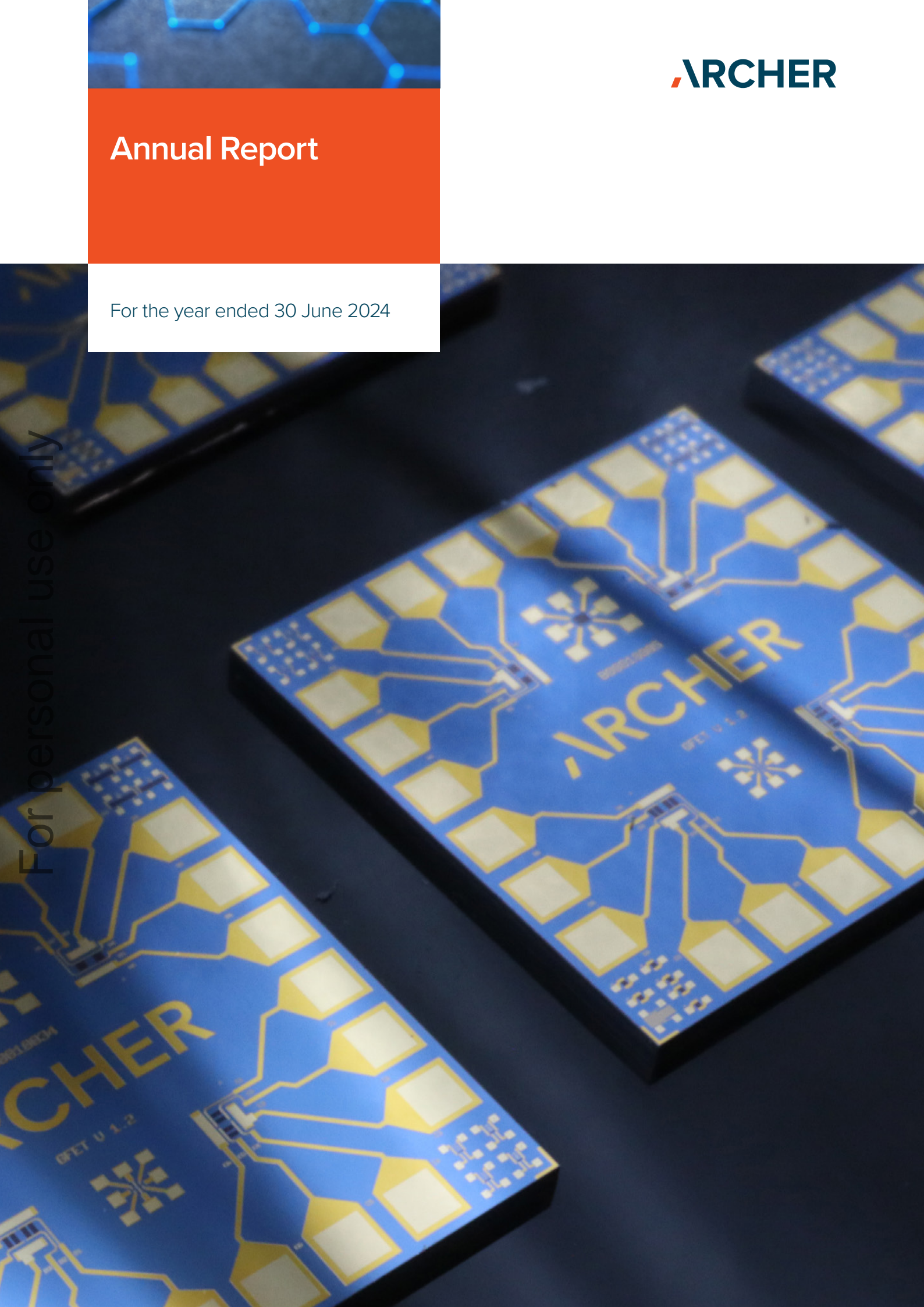
Greg English  
Executive Chairman  
Adelaide

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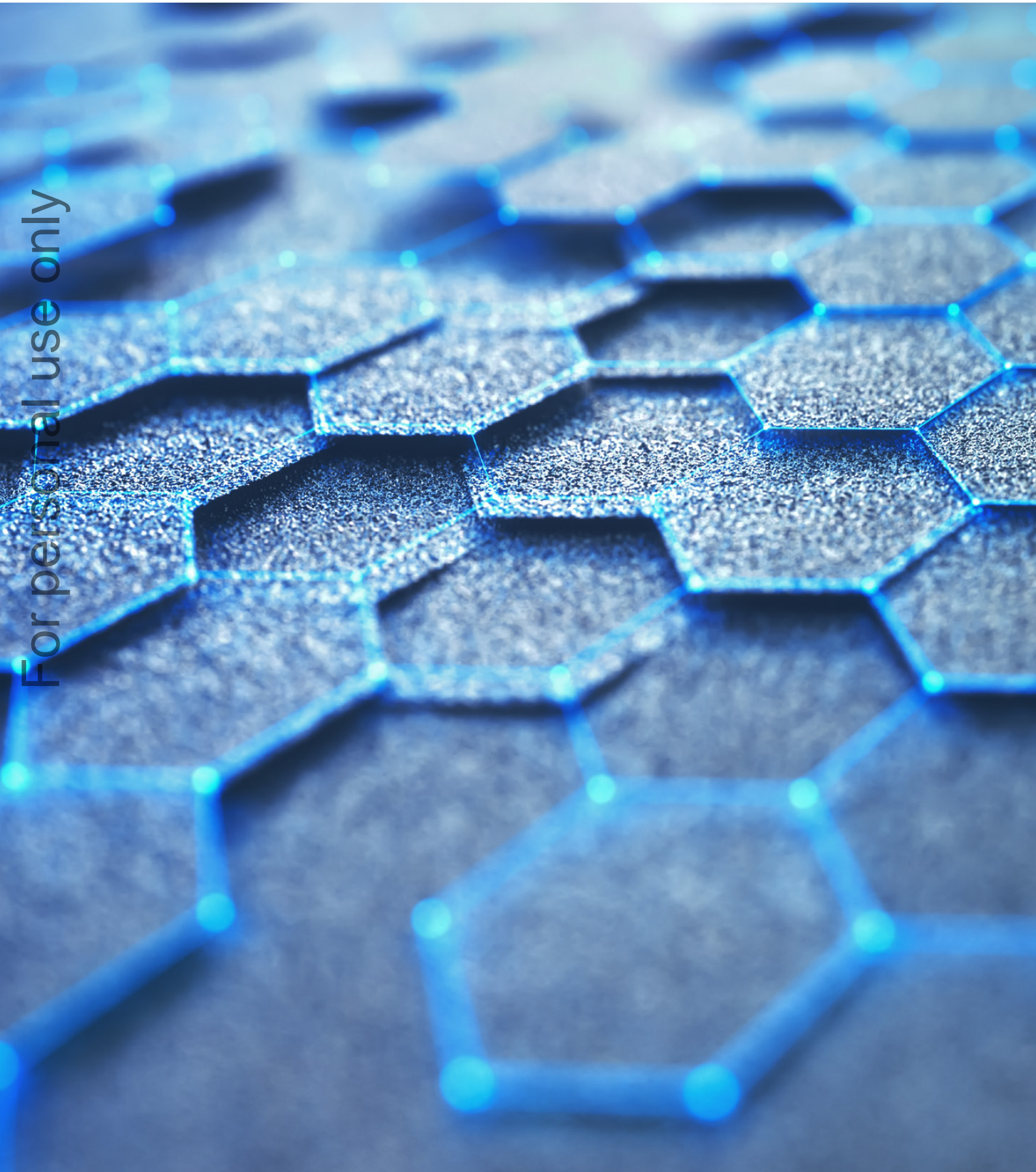
# Annual Report

For the year ended 30 June 2024

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Archer Materials Limited  
(ABN 64 123 993 233)

*The laboratory plant and equipment shown in the photos and images in this report are not assets of the Company.*



## Chair's Report

Greg English  
Executive Chair

The teams behind Archer Materials' two core technologies, the Biochip and <sup>12</sup>CQ Project, have made strong advancements over the past 12 months in their respective missions to improve medical diagnostics and bring on the next phase of computing, quantum.

The quantum team achieved several milestones during the year, progressing the <sup>12</sup>CQ Project. The team focussed on two key areas: control (sensing and detecting the input of quantum information); and readout (providing the output of quantum information).

For control, Archer achieved longer electron spin coherence lifetimes of up to 300 nanoseconds at room temperature through a new process of using carbon nano-onion (CNO) films, improving on the Company's initial 230 nanoseconds. These extended times mean that quantum information has longer to be processed.

The team increased the speed and accuracy of CNO reading by developing a new method that uses resonators to sample electron spin states. This builds on the work that continued on the pulsed electron spin resonance (p-ESR) chip.

Archer collaborated with its research partner in Switzerland, École Polytechnique Fédérale de Lausanne (EPFL), to make the p-ESR micro system. The p-ESR improves control in the <sup>12</sup>CQ device by helping perform complex measurements for potential electron spin manipulation in the <sup>12</sup>CQ CNO material, to detect and analyse the behaviour of unpaired electrons that carry quantum information. The p-ESR microsystem is a further advancement in the development of quantum sensors for Archer.

The quantum team started working with Queen Mary University of London (QMUL) to investigate how electrons travel through carbon nanostructures using graphene-based devices, aiming to find Coulomb blockade, a significant effect in quantum physics.

For readout, Archer designed, fabricated, and started measurements for its readout circuitry that it developed over the past 12 months, using the CNOs. The readout devices used Faraday shielding to block some electromagnetic fields and validated its sensitivity to a single electronic energy level, along with demonstrating tuneability.

Separately, the Biochip team made good progress on development of the miniature 'lab-on-a-chip' device for medical diagnostics.

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Archer demonstrated multiplexing on the Biochip through new hardware and software. Multiplexing allows the chip to test multiple liquid disease samples on a single device.

Archer further derisked the Biochip graphene field effect transistor (gFET) design by validating different design generations on four-inch wafers through some European foundry partners on both multi-project wafer (MPW) runs and whole wafer runs. The gFET design was fabricated on a whole six-inch wafer run at a commercial foundry partner in Spain, bringing it closer to the commercial-scale eight and twelve-inch wafer size, which produce a higher amount of chips.

Along side this, Archer designed and sent a miniaturised design of the gFET for fabrication to one of its European foundry partners, which the Company expects back before the end of 2024.

The Biochip team improved the functionality of the gFET by creating a new procedure to assess and test the gFET sensor performance and ensure consistency over time. Archer can now use the new ways to detect substances under different settings and conditions using machine learning and data analysis. The new procedure will be used in the manufacture of the chips through Archer's European foundry partners.

Archer has a portfolio of patent applications to protect its intellectual property (IP) and it is crucial that we form solid partnerships with others in the industry. This includes R&D at Archer's university partners and foundries who fabricate, assemble, package, and distribute chips. Over the past 12 months, Archer has continued to strengthen its relationships with its research and foundry partners in Europe, the Asia-Pacific, and now the US, all assisting the company's development of its IP.

There is a great need for commercial quantum computer devices. Society is on the cusp on moving from traditional to quantum computing. The rise of artificial intelligence (AI) is forcing the transition, as the algorithms that drive AI will need quantum computing power.

Improving access to medical diagnostics is vital to healthcare across the globe. Past pandemics only highlight the need for wider use of medical diagnostics on mobile devices.

Archer's technologies are still in their development stages, but the team over the past 12 months has built upon the infrastructure and advanced the technology to get the Company to its next development phase.

Both the <sup>12</sup>CQ and Biochip teams are being led by Chief Technology Officer, Dr Simon Ruffell. Dr Ruffell (PhD in Physics) has deep industry experience and knowledge, and has managed multi-functional teams including process, hardware, and software engineering teams. His strong background in quantum and semiconductors will help lead the company to growth by utilising Archer's solid cash balance to develop the technologies.

I acknowledge the hard work that the Archer team has done for advancing our company. Thanks to their relentless dedication and skill, we are on a fast track to commercialise impactful technologies. I extend my gratitude to our shareholders as well, for continuing to believe in Archer's goal of creating devices poised to transform global industries.

*Yours sincerely,*



**Greg English**  
Executive Chair

28 August 2024





## Operating and Financial Review

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

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# Strategy

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## In 2023/2024 the Company:

- > Commenced working with world-leading and tier-one semiconductor manufacturers across Europe, Asia-Pacific and the US towards industry fabrication and verification of Archer's technology.
- > Submitted Australian and international patent applications in relation to the <sup>12</sup>CQ quantum material and biochip technologies.
- > Gained commercial access to world class semiconductor fabrication infrastructure and facilities, and technical experts in Australia and internationally to develop Archer's technology, including EPFL in Switzerland and Queen Mary University of London.
- > Continued to build on the talent profile of the company. The technical team is composed of 8 PhDs and 3 MSc with experience ranging from academia and industry. The leadership team has been bolstered with a combined high-tech industry experience of over 50 years and a track record of productisation of R&D projects.
- > Was Australia's first quantum industry representative at key events with the World Economic Forum's Centre for the Fourth Industrial Revolution to showcase the company's technologies amongst global industry leaders.

### Quantum

- > Increased coherence time milestone at room temperature for its <sup>12</sup>CQ carbon nano-onion (CNO) material from 230 nanoseconds to up to 300 nanoseconds through a new process using new CNO films.
- > Initiated ion-implantation experiments to control CNO size and arrangement, paving the way for enhanced quantum device fabrication and performance testing.
- > Progressed CNO readout technology design and validation, and associated engineering processes and measurements required for quantum device operation and function.
- > Progressed its <sup>12</sup>CQ quantum technology project by developing a pulsed electron spin resonance (p-ESR) chip with research partner EPFL.

### Biochip

- > Fabricated three design generations of the biochip graphene field effect transistor (gFET) system for biosensing through its European foundry partners including on a larger six-inch whole wafer run.
- > Redesigned circuit layouts to miniaturise the gFET chip design from 10mm<sup>2</sup> to 1.5mm<sup>2</sup> and sent them for fabrication to one of Archer's European foundry partners.
- > Demonstrated multiplexing on the biochip gFET through developing hardware and software for reading multiple liquid samples on a single device.

## In 2024/25, Archer's growth involves:

- > Progressing the control and readout functionality, and design fabrication, for its technologies including its <sup>12</sup>CQ quantum technology and graphene-based lab-on-a-chip, biochip.
- > Identifying other technologies and devices that may be suitable for the Company's quantum technology.
- > Creating new and strengthening existing strategic commercial partnerships including securing future semiconductor and device manufacturing capabilities advancing the Company's technology.
- > Utilising world-class technology development infrastructure and facilities, R&D, people, and IP, to support pre-market development.
- > Protecting intellectual property (e.g. patents and international patent applications) with global competitive advantages underpinning the Company's technologies.
- > Growing the Company's intellectual property portfolio through the development and/or acquisition of new technologies.
- > Hiring highly qualified talent to expedite developing and potentially commercialising the Company's technology.

Factors and Risks affecting future performance are included on page 9.

## Summary of Financial Performance

## Changes in Equity

The net loss of the Group for the year ended 30 June 2024 was \$4,803,150 (2023: \$9,049,457) and includes:

- > Share based payments expense of \$603,093 representing the expense associated with unlisted option vesting during the year (2023: \$5,554,843) net of forfeitures.
- > Direct expenditure on quantum and biochip technology research activities (including allocation of direct personnel costs) of \$4,524,190 (2023: \$2,965,560).
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  - ChemX Materials Limited (shares and options) as at 30 June 2024 of \$297,955 (2023: \$720,303).

The above expense items are offset by:

- > An income amount of \$2,135,936, being the estimated research and development tax incentive receivable based on associated expenditure for the year ended 30 June 2024, adjusted for actual amounts received the prior year tax incentive claimed (30 June 2023: \$1,498,471); and
- > Interest income of \$941,147 (2023: \$677,248).

During the year ended 30 June 2024 the Group's net cash position (defined as cash and short term deposits) decreased by \$5,107,642 from \$23,317,462 (1 July 2023) to \$18,209,820 (30 June 2024). The Group has no corporate debt.

This net decrease in cash and short term deposits was predominantly influenced by the following cash outflows:

- > direct expenditure on quantum and biochip technology research activities (\$4,524,190); and
- > intellectual property assets and plant and equipment (\$197,007); and
- > corporate, administration and wages (net of allocations to quantum and biochip technology research activities) expenditure (\$2,825,325).

These cash outflows were offset by inflows associated with:

- > research and development tax incentive receipt in respect of the claim for the year ended 30 June 2023 (\$1,455,936); and
- > interest receipts (\$1,098,763).

### Shares

The number of Archer ordinary shares ("Shares") on issue did not change during the year. At 30 June 2024 there was 254,847,013 Shares on issue (1 July 2023: 254,847,013).

### Unlisted Options

The number of unlisted share options on issue decreased from 24,950,000 (1 July 2023) to 18,700,000 (30 June 2024) during the year as a result of the following events:

- > 1,500,000 share options exercisable at \$0.7277 each and expiring on 31 March 2024, expired unexercised.
- > 4,750,000 share options with an exercise price of \$1.79 and expiring on 31 May 2025, lapsed or were forfeited in accordance with the terms of which they were issued.

### Performance Rights

There were no performance rights issued during the year or on issue 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 income from its operating business, and the Company is reliant on capital raisings, Commonwealth Government research and development tax incentives 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 <sup>12</sup>CQ quantum technology 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.

There is a risk that all reasonable efforts by the Company to protect proprietary rights may not be sufficient or effective, including risks that intellectual property may not have adequate patent or copyright protection for certain innovations, that the scope of available protections is insufficient, or that an issued patent may be deemed invalid or unenforceable in certain jurisdictions.

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.

### Access to Facilities

The development of the Company's technologies requires access to institutional scale infrastructure and facilities which if shutdown, would restrict Company access during the periods of closure. The Company currently has access to facilities and collaborators in numerous locations in Australia, Europe, Asia, and North America to help limit the impact of any closures.

### 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 possible commercialisation. The Company's projects may be delayed if key personnel are not available to work.

### Potential commercial viability of products

The <sup>12</sup>CQ and biochip projects are in the research and development phase. Company staff and external consultants are in laboratories conducting experiments to determine if the materials underlying the technologies can perform as predicted. There is no guarantee that these experiments will be successful.

The Company's ability to commercialise the intellectual property and sell products to customers may be affected by many factors, including the commercial viability of, and potential delays in, the delivery of products and technology and the ability to find customers for the Company's products. There is no certainty that the Company will be able to make and sell commercially viable products.

## Advanced Semiconductors

Archer is developing advanced semiconductor devices, including devices relevant to quantum computing and medical diagnostics. Archer is progressing the development of its  $^{12}\text{CQ}$  quantum device and graphene-based 'lab-on-a-chip' biochip technology.

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## Quantum Technology

### <sup>12</sup>CQ Project

During the year, the Archer <sup>12</sup>CQ Project made important advancements in its high-fidelity readout (data output) and control (data input) function.

Readout allows for interpretation of quantum calculations while minimising the loss of quantum information to the surrounding environment.

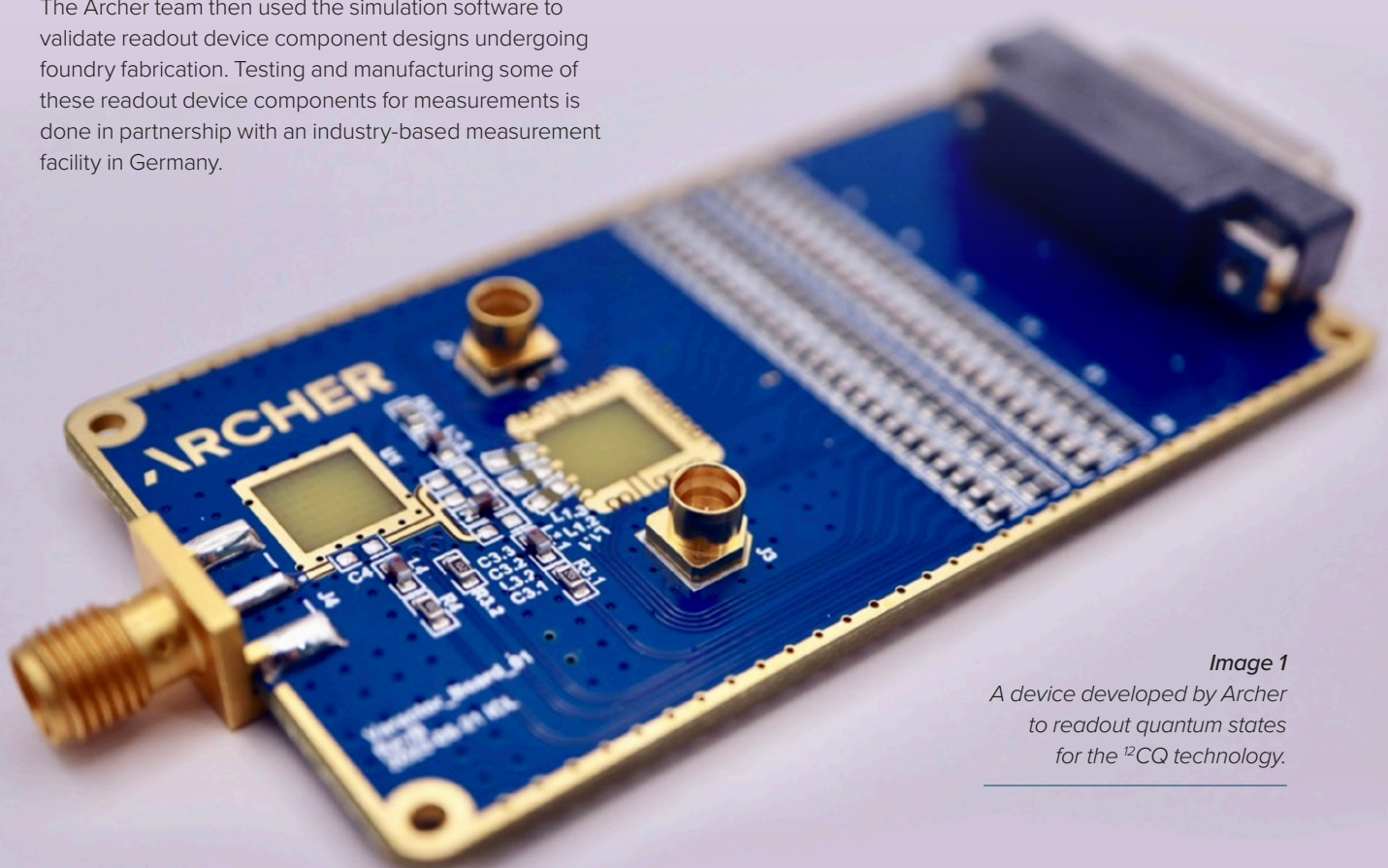
Archer's focus involved designing and developing several quantum state readout technologies from first principles for the unique carbon-based material in Archer's <sup>12</sup>CQ technology (Image 1).

The Archer team designed and manufactured microwave circuitry for which readout devices will be embedded. These circuit designs were validated using electromagnetic simulation software and then built. The initial design of the electronic equipment required to interface between the readout technology and facility-based measurement systems was completed.

The Archer team then used the simulation software to validate readout device component designs undergoing foundry fabrication. Testing and manufacturing some of these readout device components for measurements is done in partnership with an industry-based measurement facility in Germany.

Early-stage measurements and testing provided a proof-of-principal for initial approaches to Archer's readout technology, including the first indications of quantum state detection. The design and manufacture of readout hardware, technology, and associated techniques for the <sup>12</sup>CQ device is ongoing. Archer is working with commercial foundry partners for readout device design.

Further developments were made during the year that build on Archer's advances reported in FY23 on its wafer-scale manufacturing of hundreds of chip-based quantum electronic devices incorporating and integrating the company's <sup>12</sup>CQ quantum material for testing and measurements.



*Image 1*  
A device developed by Archer to readout quantum states for the <sup>12</sup>CQ technology.

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## Quantum Technology

### <sup>12</sup>CQ Project

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Magnetoresistance was for the first time observed in Archer's unique carbon-based quantum material – paving the way towards potential spintronic applications of the unique <sup>12</sup>CQ carbon material. The measurements were performed using QEDs fabricated at the nanometre-scale and state-of-the-art cryogenic measurement facilities in Australia.

The Archer team estimated for the first time the 'exchange interaction' parameter in the quantum material. Archer used powdered quantities of CNO material samples in various pulsed electron spin setups and configurations at a range of temperatures.

**The exchange interaction parameter will guide the development and building of the qubit logic gates.**

Archer further designed, developed, fabricated, and began measurements on its readout circuits, including devices incorporating the unique carbon nanomaterial used for the <sup>12</sup>CQ devices. Faraday shielding for the readout devices was also designed, manufactured, and implemented. The Company completed the integration of electronic equipment to interface between readout technology and state-of-art measurement systems in facilities in Australia.

Early-stage measurements commenced on readout devices, including employing the microwave reflectometry technique. The readout devices were based on a single electron radio-frequency-box architecture and fabricated using scanning electron microscopy and electron beam lithography.

The work validated the readout device's sensitivity to a single electronic energy level and demonstrated the tuneability of the respective resonant circuit using a varactor technology. This tuneability is significant in the context of optimising the signal-to-noise ratio of the device's microwave readout tone.

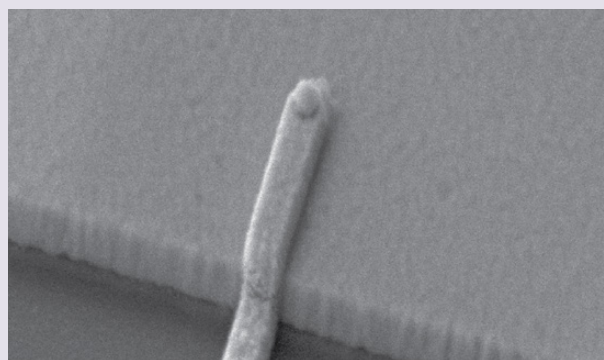
The readout devices and components required a high level of nanoscale precision between multiple fabrication steps. More advanced fabrication included the nanometre (one billionth of a metre) alignment between nanosized electrodes and discrete 50 nanometre particles of the carbon material used in the <sup>12</sup>CQ technology (Image 2).

The development of optimised reflectometry-based readout was awarded a UNSW Science Translational Impact Seed Funding grant to support the R&D required for the associated cryogenics and high-end electronic equipment. Archer has also gained access to an Australian-based Helium Ion Beam microscope, providing ultra-precise imaging resolution and ion beam-based milling for the formation of quantum nanodevices as part of Archer's R&D activities.

The Company developed and tested low-temperature operation devices for the quantum spin state detection in few- and single-carbon nanostructures using electron spin resonance measurement techniques. Initial measurements indicated a strong correlation between the simulated and real devices.

Archer intends to manufacture wafer-scale runs of these devices within a commercial foundry in the United States. The design and manufacture of readout hardware, technology, and associated techniques for the <sup>12</sup>CQ Project is ongoing.

Archer has brought in specialist staff from the semiconductor industry, with experience developing and commercialising semiconductor products and technology. Archer is working with commercial foundry partners in Europe for device designs.



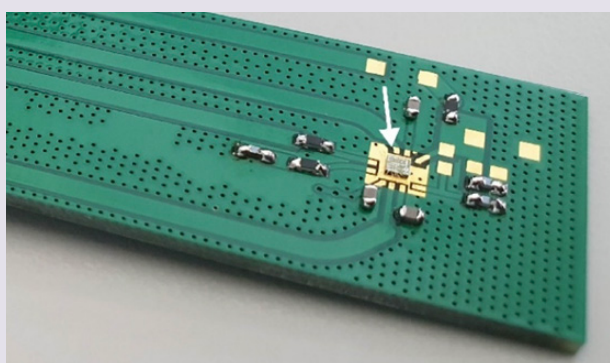
**Image 2**

*Readout device components fabricated by Archer for the <sup>12</sup>CQ technology. The components show the result of ultra-precise nanometre alignment applied in multiple fabrication steps between nanosized electrodes and a discrete 50 nanometre (spherical) particle of the carbon material.*

## During the year, Archer designed, developed, and built a single chip integrated pulsed electron spin resonance (“p-ESR”) microsystem, with its research partner École Polytechnique Fédérale de Lausanne (“EPFL”) in Switzerland.

Archer and EPFL intend to use the p-ESR microsystem to perform complex measurements involving the potential electron spin manipulation of Archer’s  $^{12}\text{CQ}$  quantum materials. The miniaturisation and electron spin sensitivity of the p-ESR microsystem may allow Archer to explore opportunities in developing quantum sensors, advanced spectrometers, and analytical devices.

The p-ESR microsystem is a tiny, integrated device designed to detect and analyse the behaviour of unpaired electrons, that potentially carry spin quantum information, in materials at a very small scale. It measures  $0.7\text{mm}^2$  in size and it includes integrated circuit components like micro coils, amplifiers, filters, and mixers, all working together to detect and amplify signals related to the behaviour of unpaired electrons (Image 3). Significant innovation is required to design, develop, and build an operational p-ESR microsystem.



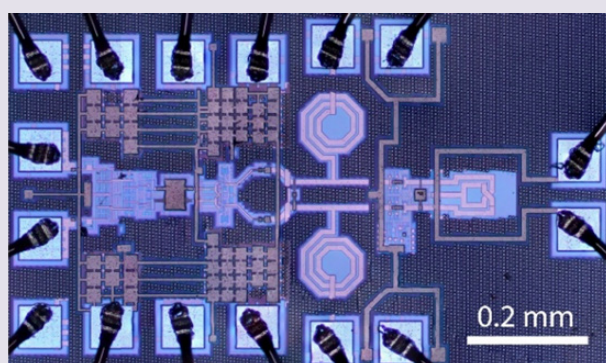
**Image 3**

The  $0.7\text{mm}^2$  single chip integrated p-ESR, indicated by the arrow, which is glued on a printed circuit board and electronically connected by gold wire bonding.

The p-ESR chip is manufactured using a 130nm SiGe BiCMOS technology (IHP SG13G2Cu). This follows research and development by Archer and EPFL on detecting electron spins in its quantum materials using continuous wave ESR (“cw-ESR”) chips built with high electron mobility transistor (“HEMT”) and complementary metal-oxide semiconductor (“CMOS”) technology (ASX ann. 10 Oct 2022, 1 Feb 2022, and 20 Apr 2023). The new p-ESR chip technology is a significant advance over the HEMT and CMOS chips in both design and functionality.

The technical details of the design, characterisation, and operation of the p-ESR chip were made publicly available as a pre-print scientific article in an open-access repository<sup>1</sup>.

Archer filed an Australian provisional patent application related to the p-ESR chip.



**Image 4**

Photograph under magnification of the chip area showing some of the integrated micron sized components, including micro coils. The chip stands in contrast to traditional ESR instrument systems that often entail bulky and complex setups that require significant space and resources.

<sup>1</sup> R. Farsi et al. X-band single chip integrated pulsed electron spin resonance microsystem. ChemRxiv, 26 March 2024. <https://doi.org/10.26434/chemrxiv-2024-0tvmv>



# Quantum Technology

## <sup>12</sup>CQ Project

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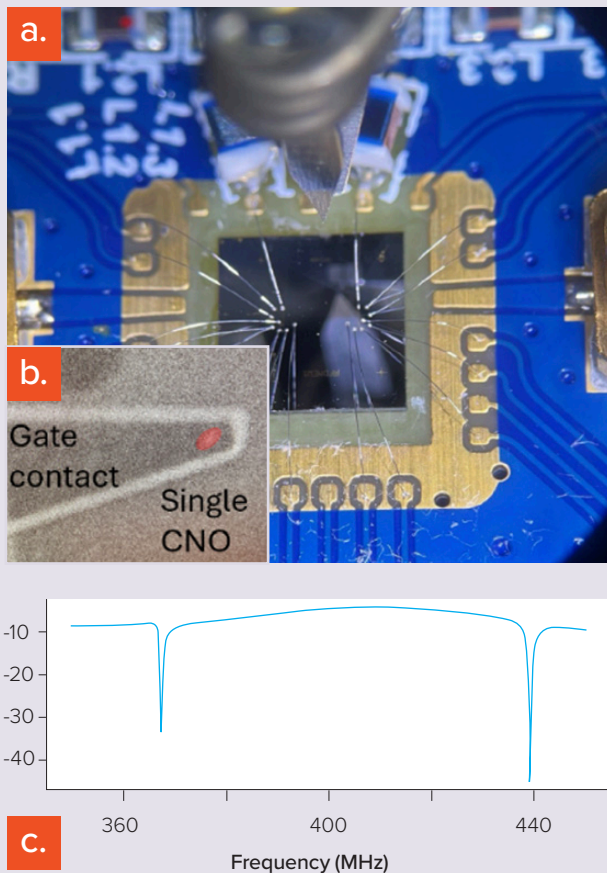
The Archer quantum team also improved how the Company detects single electron spins. Archer developed a new method using resonators that can be adjusted to how they respond to a spin signal. This means Archer can now fine-tune the resonators to make its readings faster and more accurate.

Adjustable resonator responses has the potential to allow the management of more quantum bits (qubits) at once. An electron's ability to stay in a spin state depends on its stability and spin lifetime. Being able to read these signals faster means that more can be done with the electron before it loses its spin state.

The team conducted measurements over three separate test sessions. Each session refined the detection circuits, studying the characteristics of single electron box devices in different settings. As a result, Archer can more effectively read the quantum states of the materials used in these devices.

These resonator devices, along with development of the spin reading, build on the previous work for the pulsed electron spin resonance ("p-ESR") chip, done in partnership with EPFL, and will lead to probing the spin on single CNOs.

The single electron box devices are made with extreme precision at the nanometre scale, each containing a single carbon nanoparticle.



**Image 5**

The company's new method to enhance the accuracy and speed of readings quantum information using resonators to improve the ability to detect a single electron spin detection in the CNO material. (a) and (d) shows a test chip ready for testing with a high magnification image of a single CNO in a device (b). (c) and (e) show typical data collected from devices.

Devices worked well with standard gold nanoparticles, whereas those made with CNOs resisted electricity, and did not show stable single electron charging signal. The Archer team is now improving how the electrodes connect to CNOs, how electrons move through the CNOs, the number of electrons (spins) on our current CNOs, and the chemical makeup and size of the CNOs.

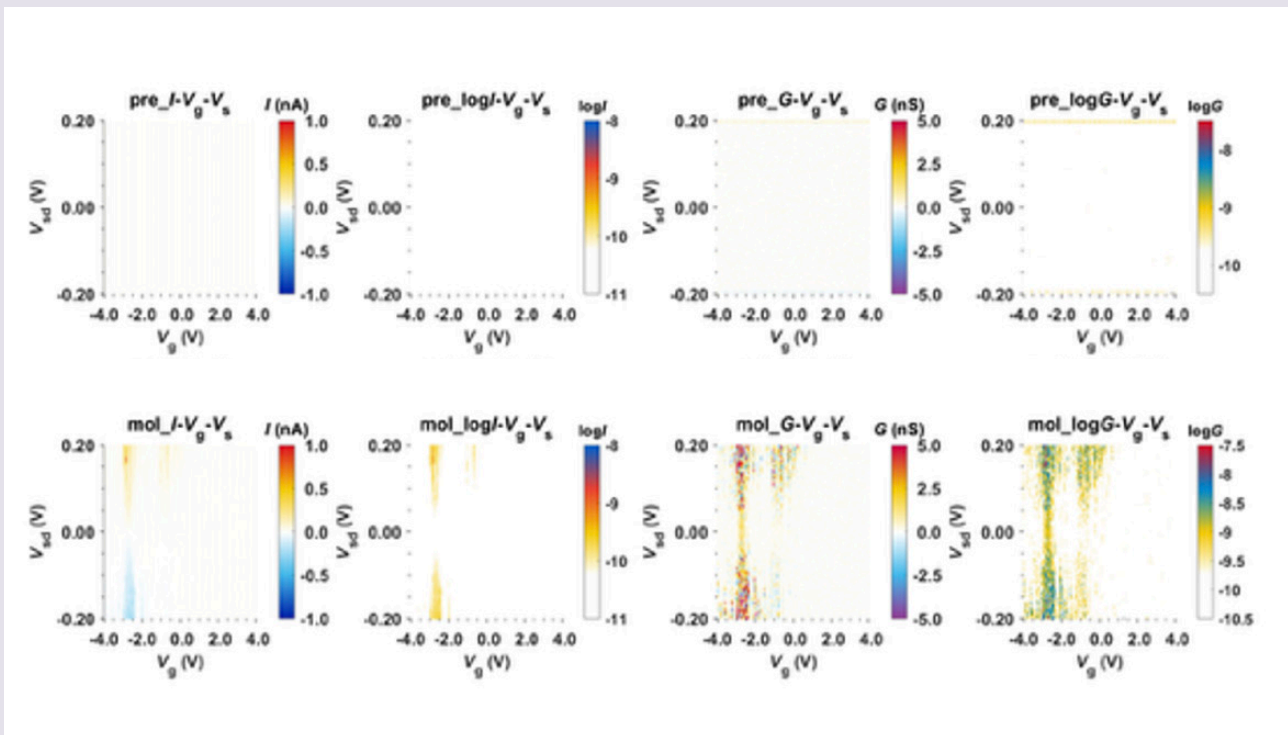
The team achieved electron spin lifetimes of up to 300 nanoseconds of films of CNOs formed by a new process. These lifetimes match those measured on the pyrolysis method that was previously used for formation.

Archer also commenced an official project with Queen Mary University of London (QMUL) to study electron movement through CNOs using graphene-based nanodevices, to observe the Coulomb blockade phenomenon, an important phenomenon in quantum physics.

The collaboration officially began on 20 June 2024, focusing on detailed studies of initial test wafer properties.

Wafer measurements will be performed at a very low temperature of 77 Kelvin (-196 degrees Celsius), and the graphene electrodes on essential devices will be physically examined. The team will also check to confirm the presence of CNOs and clusters of CNOs on these devices.

The team will discuss results with QMUL from these colder temperature measurements on the test wafer and review progress and data from devices specially made for and decorated with Archer's CNOs and sent to QMUL. This research is an essential step in Archer's collaboration to understand how electrons behave in these unique materials.



**Image 6**

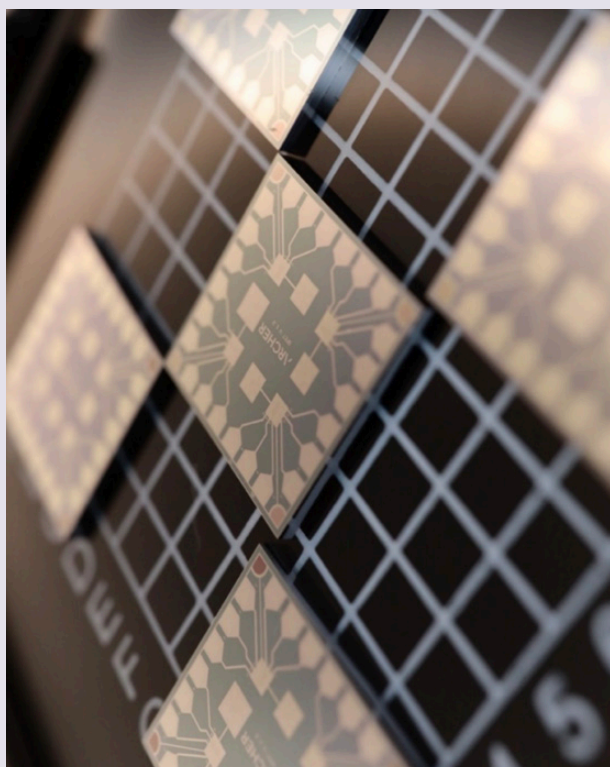
Early quantum electrical data from the collaboration with Queen Mary University of London (QMUL).

## Archer's biochip innovation aims to integrate graphene field effect transistors ("gFETs") into advanced fluidic systems to create miniaturised lab-on-a-chip device platforms for medical diagnostics.

This could enable the ability to detect multiple biologically relevant targets on a chip at the same time, a process known as multiplexing. Archer owns 100% of the biochip technology intellectual property.

During the year, Archer advanced and derisked its gFET through different designs at some of its foundry partners in the Netherlands, Germany, and Spain.

Archer's first-generation gFET design was submitted and validated by a commercial foundry partner in Germany for a Multi-Project Wafer ("MPW") run.



The final fabrication processes were performed in-house by the Company in Australia.

The MPW-produced gFETs were fabricated on a six-inch wafer and diced into individual chips (Image 7). An MPW is where Archer's device designs are imprinted on a small area of a wafer with the designs of other companies on the same wafer.

The gFET devices have been measured and function as expected, including the demonstration of liquid gating, and are compatible with the Archer Biochip system platform.

Archer sent an advanced gFET design to foundry partner in the Netherlands on a four-inch whole wafer run, which was validated. (Image 8). The advanced gFET design now creates the potential for an early biochip platform that has single-device multiplexing, meaning the biochip technology could sense different liquid samples and test for multiple diseases at once.

Archer intends to integrate more functionality on the biochip and optimise the device size and geometry to build advanced sensing regions.

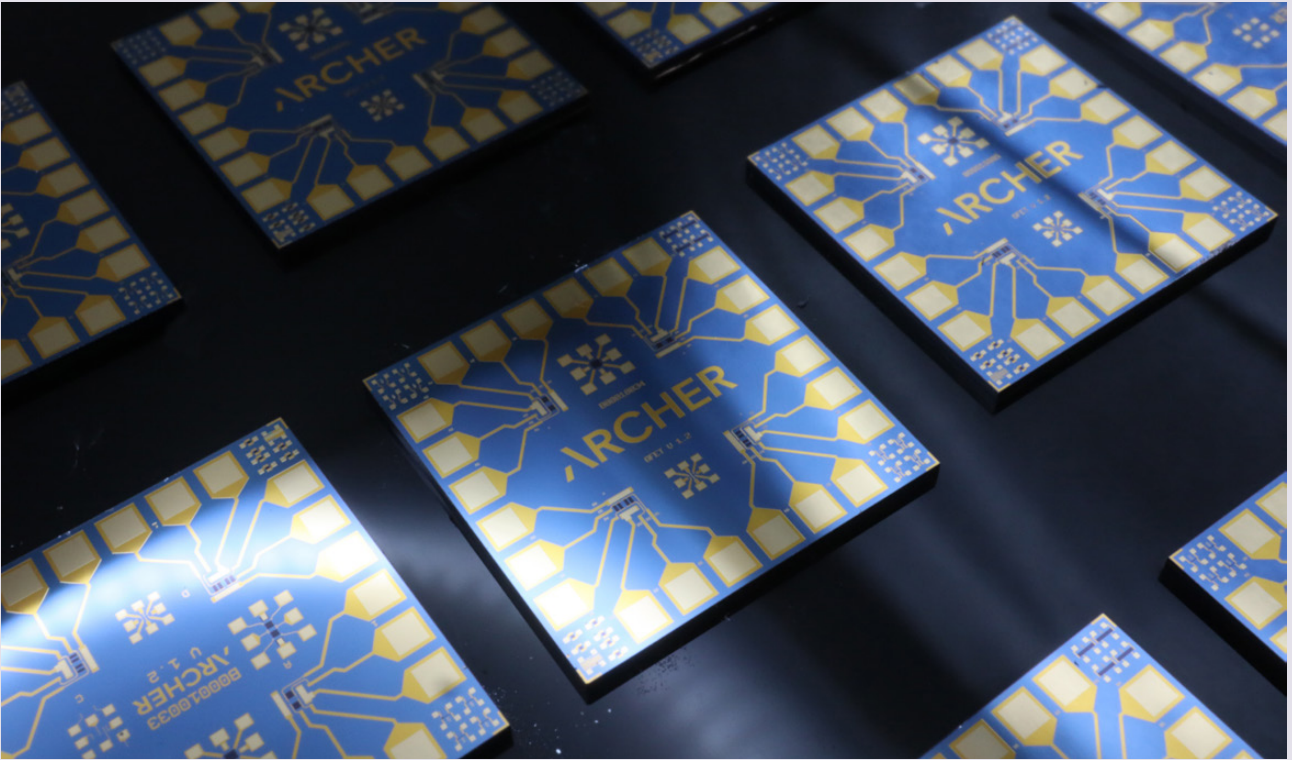
The electronic and spectroscopic characteristics of the gFET chips, and the foundry fabrication process yield, are consistent with what Archer expected. The gFET chips are also compatible with Archer's biochip system platform.

The whole wafer fabrication of the gFET device design is a significant step towards industrial production. Archer will use outcomes of the runs to evaluate the foundries best suited to Archer's technology.

The Company demonstrated multiplexing readout for its advanced Biochip gFET devices by designing and developing new hardware and software systems to readout the signal from four gFET sensors at once on a single chip.

### Image 7

Archer's Biochip gFET chips are diced from the six-inch multi-project wafer manufactured by a German foundry partner.



This is a significant advancement over earlier Biochip system generations which could only activate one-sensor-at-a-time.

The new R&D Biochip system with multiplexing capability provides automated hands-free operation, as it integrates liquid handling automation and data acquisition. The software developed by Archer can display all single and time series measurements in real-time for the four gFET sensors simultaneously.

Archer built on the gFET whole four-inch wafer run by submitting and fabricating a six-inch whole wafer run at its foundry partner in Spain (refer Image 9, page 18).

The Spain foundry has ISO 13485 certification to manufacture medical device components, an important hallmark for future manufacturing partnerships. The fabrication produced 145 chips with eight gFET devices on each chip.

The gFETs are designed to be fabricated with structures suitable for liquid multiplexing, with advances over previous chip design features, including in-gating and channel definition. Archer tested the chips diced from the wafer in its laboratory in Australia.

**Image 8**

*Archer's advanced gFET chips for advanced biosensing diced from the whole four-inch wafer fabricated in a commercial foundry.*

The Company is working with the Spanish foundry partner to integrate testing of the gFET devices at the point of manufacture to improve the efficiency of the Company's technology development processes.

By developing various designs for Archer's Biochip gFET sensors, the Company can broaden its foundry network, improve quality control of its chips, and expand possible applications.

Biochip

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Working with an ISO-certified foundry to manufacture medical device components aligns with the purpose of the Biochip - to potentially transform the medical diagnostics industry by providing better access for disease detection.

The Company also progressed two provisional patent applications related to the Biochip technology to patent pending by the Patent Cooperation Treaty pathway. The patent applications cover graphene field effect transistors, and a system of chip readout electronics, fluidics, and integration with liquid delivery automation and software.

Archer designed a miniaturised version of its Biochip gFET chip. The new miniaturised design was sent to a foundry partner in Europe for a whole-wafer fabrication of reduced size gFET chips, which Archer intends to integrate with other parts of the Biochip technology.

Archer has developed in-house expertise and know-how in gFET chip design with this significant reduction in size.

The new gFET chip design has been significantly reduced in size over earlier designs of 10mm<sup>2</sup> to 1.5mm<sup>2</sup>. It will be tested on a four-inch wafer which is expected to produce 1375 chips on it, compared to the 45 chips produced using earlier designs in previous four-inch wafer fabrication runs. Archer miniaturised the total chip size by redesigning the layout of the circuits creating these gFET transistors.

Archer applies the ‘fabless’ chipmaker model by designing, researching, and developing its chips, while outsourcing manufacturing to specialised companies in the semiconductor supply chain. This includes the creation of a new miniaturised Biochip gFET chip design, sending the design for a whole wafer run in a commercial foundry, and deciding on the chip assembly and semiconductor device electronics packaging and related electrical testing.

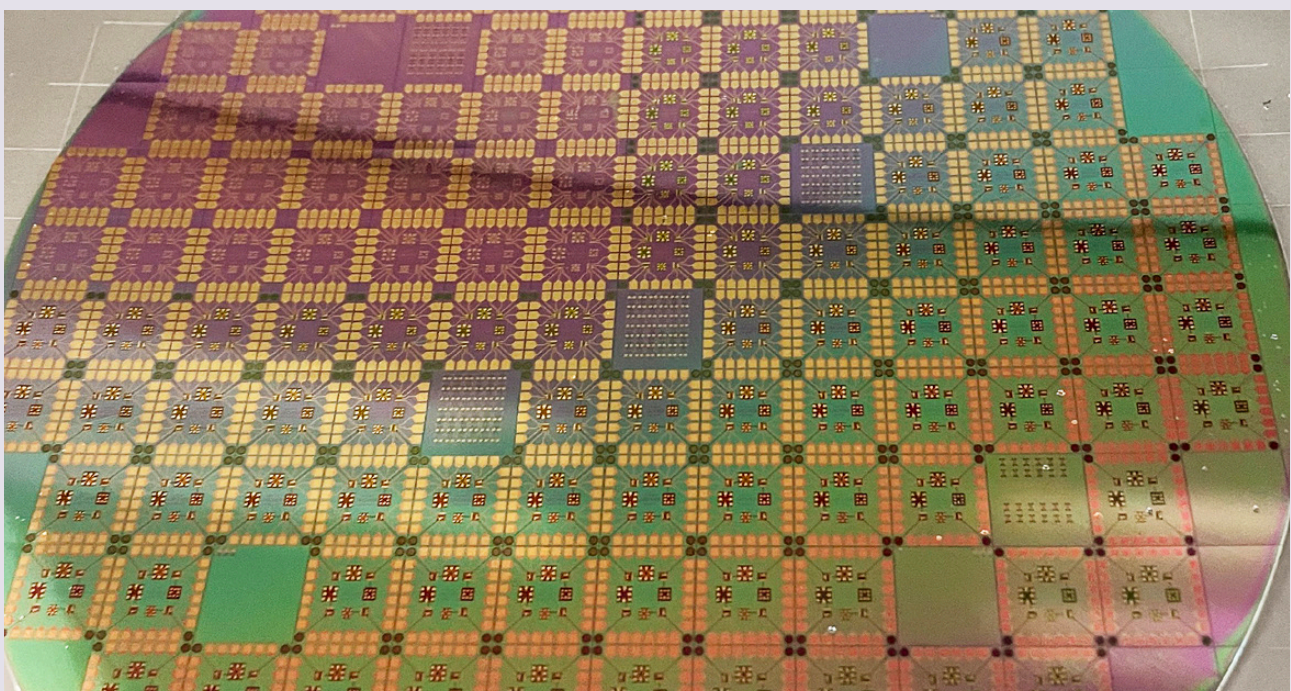
Archer continues to strengthen its relationships with global semiconductor industry partners. The miniaturised wafer will be diced and assembled at Archer’s outsourced semiconductor assembly and testing (“OSAT”) partner in Japan.

The OSAT includes moulding, dicing, and lead frame design for the dedicated assembly of the ANL produced wafer, and device electronic shorting and related packaging testing.

New capabilities are key in advancing the Biochip development to interfacing and integration with miniaturised gFET chip sensor designs.

*Image 9*

*Archer’s gFET chips fabricated on a whole six-inch wafer by Archer’s foundry partner in Spain.*



During the year, Archer established a multidisciplinary laboratory at Cicada Innovations, in Sydney, Australia. The Company outgrew its previous laboratory arrangements in the University of Sydney Hardware Lab. The new laboratory facility primarily supports Archer’s R&D activities and includes capabilities for hardware testing and analysis, and materials chemistry and engineering.

Archer also developed a standardised procedure for testing its gFETs manufactured by its European suppliers. The new procedure was developed to ensure the gFETs work correctly before using them in sensors.

Archer determined new ways to electrically operate the gFET sensor – speed, and the direction of the voltage applied to the gate (a part of the transistor). These factors change how the transistor responds based on the liquid and the number of ions in the liquid (tiny, charged particles), ultimately setting the sensitivity and speed of the sensor. Through this ability, Archer can use new ways to detect substances under different operating conditions using data analysis and machine learning.

Understanding and changing these aspects allows Archer to potentially produce a sensor that can quickly and accurately detect different substances.

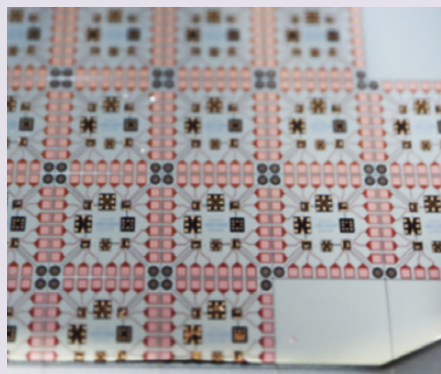
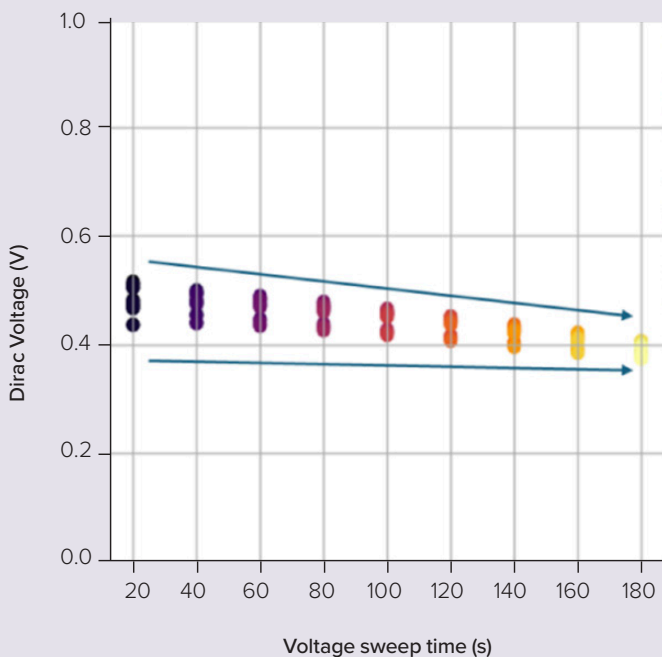
The team examined how different settings, like the electrical biasing conditions and voltage sweeps, to see how they affect the transistor (gFET) operation. In addition, testing was done on how storing and using the transistor repeatedly impacts its performance, as well as what happens when different liquids are applied to it.

Archer is determining how best to optimise gFET stability and durability. They are investigating protection of the transistor by adding special ultrathin coatings and employing precision materials modification steps during the fabrication process. This work will help Archer move to the next phase of developing a sensing method.

Archer has collaborated with several European foundries to develop and test gFETs for the Biochip and the new procedure will ensure consistency, reliability, and sensitivity with our gFETs.

In addition, Archer has initiated experiments with semiconductor companies in the US to investigate novel processing steps into the gFET fabrication flow. This work is complementary to the fabrication already done in the European foundries.

A sensing electrical parameter as a function of voltage sweep



Archer chips on wafer

Reduced device-to-device and measurement-to-measurement range.

**Improved sensitivity**

*Image 10*

Example electrical data from gFET testing. The graph shows improved measurement-to-measurement and chip-to-chip variability with voltage sweep conditions.

## Archer's technology patents and patents pending

The below tables detail Archer's patents and patents pending for the Quantum and Biochip technologies.

### QUANTUM TECHNOLOGY

Priority date	Stage	Owner	Title & Summary
3 Dec 2015	Granted	The University of Sydney <sup>1</sup> and Ecole Polytechnique Federale De Lausanne	A quantum electronic device

Patent Office	Patent/Application Number
Japan	6809670
South Korea	10-2288974
China	4606612
United States of America	11126925
Australia	2016363118
Hong Kong	1256636
Europe <sup>2</sup>	3383792

<sup>1</sup> This patent is exclusively licenced to Archer under a Licence Agreement with The University of Sydney.

<sup>2</sup> Designated countries: Belgium, Switzerland, Germany, Spain, France, United Kingdom, Republic of Ireland, Italy, Netherlands, Sweden, Turkey

9 Jun 2023	Provisional Patent	Archer	Electron spin containing materials and methods for producing said materials
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Patent Office	Patent/Application Number
Australia	2023901839

22 Mar 2024	Pending	Archer	An electron spin resonance spectroscopy system
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Patent Office	Patent/Application Number
Australia	2024900773

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## BIOCHIP TECHNOLOGY

Priority date	Stage	Owner	Title & Summary	
15 Feb 2019	Pending	Archer	Graphene complexes and compositions thereof	
			Patent Office	Patent/Application Number
			Australia	PCT/AU2020/050128 2020220236
			United States of America	17429442
31 Mar 2022	Pending	Archer	Fabrication and processing of graphene electron devices on silicon with a SiO <sub>2</sub> passivation layer	
			Patent Office	Patent/Application Number
			Australia	PCT/AU2023/050251
17 Oct 2022	Pending	Archer	Nanofabrication of electronic device components	
			Patent Office	Patent/Application Number
			Australia	PCT/AU2023/051025
1 Dec 2021	Pending	Archer	Detection and quantification of nucleic acids	
			Patent Office	Patent/Application Number
			Australia	PCT/AU2022/051434 2022401057
			United States of America	18/715693
			Japan	Awaiting application number
			China	202280080331.3
			Europe	22899651.8
11 Nov 2022	Pending	Archer	A device, system, and method for sensing an electronic property of fluid sample	
			Patent Office	Patent/Application Number
			Australia	PCT/AU2023/051141
23 Dec 2022	Pending	Archer	Methods for fabrication of graphene field effect transistors with a liquid top-gate and associated componentry	
			Patent Office	Patent/Application Number
			Australia	PCT/AU2023/051357
21 Jun 2024	Pending	Archer	Graphene field effect transistors and methods for their production	
			Patent Office	Patent/Application Number
			Australia	2024901889





# Directors' Report

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## Directors' Report

The Operating and Financial Review (which includes the Chair's Report) of this Annual Report is incorporated by reference into, and can be found on pages 4 to 21 of this Annual Report.

The Directors of Archer Materials Ltd present their report (including the Remuneration Report) together with the Financial Statements of the consolidated entity, being Archer Materials Ltd and its controlled entities ('Company', 'Group', 'Archer'), For the financial year ended 30 June 2024.

### Directors

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

- > **Greg English**  
(Executive Chair)
- > **Kenneth Williams**  
(Independent Non-Executive Director)
- > **Bernadette Harkin**  
(Independent Non-Executive Director)

### Chief Executive Officer

- > **Dr 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.



## Information on continuing Directors and Management

### Greg English

(Executive Chair)

*LLB, BE (Mining)*

Greg English is the co-founder and Executive Chair of Archer. He has been Chair of the board since 2008 and has overseen Archer's growth as a technology company that operates within the semiconductor industry.

Greg 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.

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).

#### Interest in Shares and Options:

11,509,852 ordinary shares. 5,000,000 unlisted options, exercisable at \$1.79 and expiring on 31 May 2025.

#### Special Responsibilities:

Executive Chair. Member, Audit & Risk Management Committee. Member, Remuneration & Nomination Committee.

### Kenneth Williams

(Non- Executive Director)

*B.Econ (HONS), MAppFin, FAICD*

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.

Ken's extensive experience in corporate finance includes diverse experience in mergers, acquisitions, divestments and corporate reconstructions. Ken was the Independent Chair of Statewide Superannuation Trust (Statewide Super), a South Australian based industry super fund with over \$12 billion in funds under management.

Ken was a member of Statewide Super's Investment Committee, and Remuneration & Nomination Committee. In April 2022 Statewide Super merged with Hostplus.

Ken, until recently held the role of Deputy Chancellor of the University of Adelaide but resigned in May 2024 to join the Transition Council of Adelaide University to be formed from the merger of the University of Adelaide and the University of South Australia. He was also appointed to the Board of SA Water, effective 3 August 2023.

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:

Barton Gold Holdings Limited (ASX: BGD) (current), Lanyon Investment Company Limited (ASX: LAN formerly 8IP Emerging Companies Limited (ASX: 8EC]) (resigned 10 May 2022).

#### Interest in Shares and Options:

Nil Shares. 1,500,000 unlisted options, exercisable at \$1.79 and expiring on 31 May 2025.

#### Special Responsibilities:

Chair, Audit & Risk Management Committee. Member, Remuneration & Nomination Committee.

**Bernadette Harkin**  
(Non- Executive Director)

MBA, GAICD

Bernadette was appointed as a Director of the Company on 6 October 2021. Bernadette has over 30 years of experience working as a business technologist across strategy, sales, marketing, operations, and delivery for multinational Information Technology companies including Wipro, IBM, Avanade, and CGI.

This includes 3 years at IBM where Bernadette served as a board member for IBM Philippines. Bernadette’s experience covers technology areas of Cloud, Analytics, Mobility, AI and Security.

Bernadette’s international experience spans leadership within large corporate governance structures and the start-up of new businesses.

Bernadette has led and held senior advisory roles involving business transformations for businesses in the US, Europe, and Asia, including those within the STEM sector, which have been underpinned by corporate growth strategies leveraging innovative technologies.

**Directorships of other ASX Listed entities in the last 3 years:**  
Nil.

**Interest in Shares and Options:**

Nil Shares. 1,500,000 unlisted options, exercisable at \$1.79 and expiring on 31 May 2025.

**Special Responsibilities:**

Chair, Remuneration & Nomination Committee. Member, Audit & Risk Management Committee.

## 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 2023, and the numbers of meetings attended by each Director were as follows:

Director	Board of Directors		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	A	B	A	B	A	B
Greg English	9	9	4	4	3	3
Kenneth Williams	9	9	4	4	3	3
Bernadette Harkin	9	9	4	4	3	3

**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 Governance Committee, 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.

## Information on continuing Directors and Management

### **Dr Mohammad Choucair**

(Chief Executive Officer)

*FRSN FRACI GAICD BSc Nanotechnology (Hon. 1),  
PhD (Chemistry)*

### **Damien Connor**

(Chief Financial Officer / Company Secretary)

*CA GAICD AGIA B.Com*

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.

Mohammad is Alumni of the World Economic Forum, Alumni of the Australian Graduate School of Management, and a Graduate Member of the Australian Institute of Company Directors.

He received the Royal Australian Chemical Institute Cornforth Medal for the most outstanding Chemistry PhD in Australia and is a Fellow of The Royal Society of New South Wales and The Royal Australian Chemical Institute.

Damien Connor was appointed Company Secretary and Chief Financial Officer on 1 August 2014.

Damien is an experienced Company Secretary and CFO, with over 20 years finance and accounting experience including over 15 years in the mining and mineral exploration industry.

Damien has been providing Company Secretary and CFO services to a number of ASX listed and unlisted entities since 2011.

Damien is a member of the Chartered Accountants of Australia and New Zealand (Chartered Accountant), an associate member of the Governance Institute of Australia (Chartered Secretary) and a Graduate of the Australian Institute of Company Directors.

## Principal activities

Archer is a technology company with a focus on developing innovative deep tech in the semiconductor industry.

The Company is developing and working towards commercialising semiconductor devices and sensors relevant to quantum computing and lab-on-a-chip medical diagnostics.

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

- > Technology research and development of the carbon nano onion quantum material ("12CQ Project") and graphene-based lab-on-a-chip biosensing chip ("biochip").
- > Utilising semiconductor development infrastructure and facilities, R&D, people, and IP, to support technology research and development.
- > Internationally protecting and prosecuting intellectual property (e.g. patents and patent applications).
- > Collaborating and partnering with organisations in computing, deep tech, technology research and development, and manufacturing as part of global networks in the semiconductor industry.

### Significant changes to the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the year ended 30 June 2024, other than as disclosed in this report.

### Events arising since the end of the reporting period:

On 12 July 2024, the Group announced the departure of Dr Mohammad Choucair as Chief Executive Officer ("CEO"), with Mohammad to step down from the CEO role in January 2025 to ensure a smooth transition and handover.

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

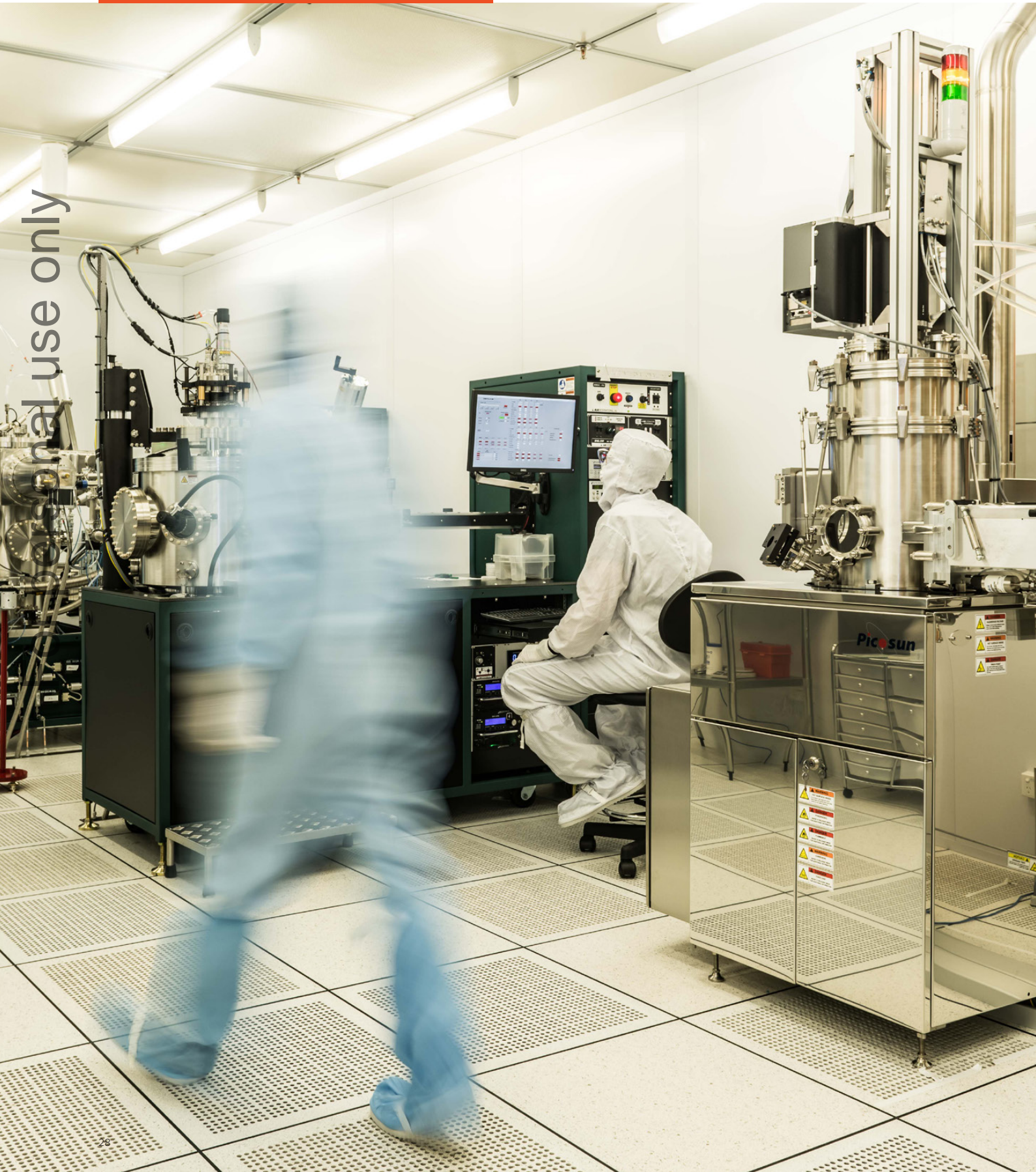
On 15 July 2024 the Group announced Dr Simon Ruffell's promotion to Chief Technology Officer ("CTO") to ensure a smooth transition and the continued growth of the Group's two key projects.

The Directors are not aware of any other matter or circumstance that has arisen since the end of the year 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.

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Remuneration  
Report (audited)

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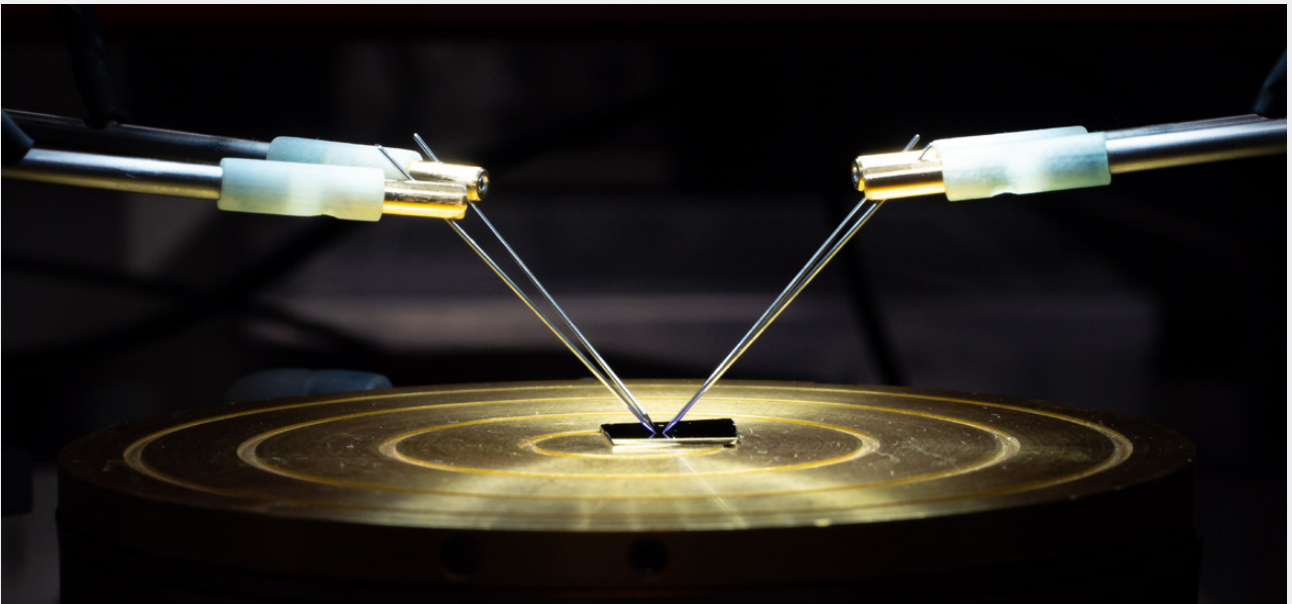
The Directors of Archer Materials Limited (the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

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

- > **Greg English**  
Executive Chair
- > **Kenneth Williams**  
Independent Non-Executive Director
- > **Bernadette Harkin**  
Independent Non-Executive Director
- > **Dr 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 has a Remuneration and Nomination Committee, comprising Bernadette Harkin (Chair), Kenneth Williams and Greg English.**

The Remuneration and Nomination Committee assists the Board in discharging its responsibilities in relation to people and remuneration activities, including oversight of risks related to people performance management, Company culture, succession planning, capacity and capability, and inclusion and diversity.

Archer's remuneration philosophy is to seek, attract and retain high performing staff and incentivise executives to lead our Company in an inspiring way and to outperform. We focus on demonstrating clear links between business performance and remuneration outcomes while continuing to build value for all stakeholders.

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 11% per annum (11.5 % from 1 July 2024) 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.

The Board's policy is to remunerate non-executive directors at the market rates for time, commitment and responsibilities. The Board determines payments to executives 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, in aggregate, 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 2023 Annual General Meeting

The Company received 97.16 % 'for' votes on its Remuneration Report for the financial year ending 30 June 2023. The Company received no specific feedback on its Remuneration Report at the 2023 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 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Share price(\$)	\$0.335	\$0.595	\$0.55	\$0.95	\$0.60

## 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:

### DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

Employee	Year	Short-term Employee Benefits		Post employment Benefits	Termination Benefits	Share Based Payments		Performance based %
		Cash Salary & Fees \$	Cash Bonus \$	Super-annuation \$	Termination Benefits \$	Unlisted Options <sup>1</sup> \$	Total \$	
<b>Executive Director</b>								
Mr English	2024	371,690	62,166 <sup>2</sup>	40,886	-	463,358	938,100	6.6%
<i>Executive Chair Not independent</i>	2023	315,374	25,343 <sup>2</sup>	35,903	-	1,271,087	1,647,707	1.7%
<b>Non-Executive Directors</b>								
Mr Williams	2024	70,000	-	7,700	-	139,007	216,707	-%
<i>Independent</i>	2023	63,348	-	6,652	-	381,326	451,326	-%
Ms Harkin	2024	70,000	-	7,700	-	139,007	216,707	-%
<i>Independent</i>	2023	63,348	-	6,652	-	381,326	451,326	-%
<b>Other Key Management Personnel</b>								
Dr Choucair	2024	336,923	16,500 <sup>3</sup>	38,960	-	556,030	948,413	1.9%
<i>Chief Executive Officer</i>	2023	298,654	51,000 <sup>3</sup>	36,969	-	1,525,305	1,911,928	3.0%
Mr Connor	2024	237,563	-	-	-	139,007	376,570	-%
<i>Company Secretary &amp; CFO</i>	2023	170,550	-	-	-	381,326	551,876	-%
<b>2024 Total</b>	<b>2024</b>	<b>1,086,176</b>	<b>78,666</b>	<b>95,246</b>	<b>-</b>	<b>1,436,409</b>	<b>2,696,497</b>	
<b>2023 Total</b>	<b>2023</b>	<b>911,274</b>	<b>76,343</b>	<b>86,176</b>	<b>-</b>	<b>3,940,370</b>	<b>5,014,163</b>	

<sup>1</sup> 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 grant 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 18.

<sup>2</sup> Short-term incentive cash bonus, approved by the non-executive directors, related to KPI achievement, pursuant to Mr English's employment contract.

<sup>3</sup> Short-term incentive cash bonus, approved by the Board, related to KPI achievement, pursuant to Dr Choucair's employment contract.

## C. Employment Contracts 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	Remuneration	Unit of Measure	Term of agreement	Notice Period
Greg English <i>Executive Chair</i>	<p><b>Total Fixed Remuneration (TFR):</b> \$412,576 per annum inclusive of superannuation.<sup>1</sup> Effective 1 July 2024<sup>2,3</sup> TFR of \$431,012 per annum inclusive applicable superannuation.</p> <p><b>Short-term incentive:</b> Discretionary up to 15% of TRF each year, is determined with reference to KPIs as set by the Board annually.</p> <p><b>Long-term incentive:</b> 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 movement compared with the ASX Small Ordinaries Resources Index.</p>	Salaried employee	Permanent employee, no fixed term.	Between 1 month and 12 months' notice depending on the circumstances.  Any applicable termination payment is calculated based on reasons for termination from 1 month salary plus leave entitlements up to 12 months' salary plus leave entitlements.
Kenneth Williams <i>Non-Executive Director</i>	<p><b>Base remuneration:</b> \$70,000 per annum plus superannuation.<sup>1</sup></p>	Director fees	No fixed term.	None
Bernadette Harkin <i>Non-Executive Director</i>	<p><b>Base remuneration:</b> \$70,000 per annum plus superannuation.<sup>1</sup></p>	Director fees	No fixed term.	None
<b>Key Management Personnel</b>				
Dr Mohammad Choucair <i>Chief Executive Officer</i>	<p><b>Base Remuneration:</b> \$330,000 per annum plus superannuation.<sup>1</sup></p> <p><b>Short-term incentive:</b> Discretionary up to 25% of salary each year, is determined with reference to KPIs as set by the Board annually.</p> <p><b>Long-term incentive:</b> 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 movement compared with the ASX Small Ordinaries Resources Index.</p>	Director fees	Permanent employee, no fixed term.	As announced on 12 July 2024, Dr Mohammad Choucair will step down from the role of CEO in January 2025.
Damien Connor <sup>4</sup> <i>Company Secretary /CFO</i>	Variable Services as required	Hourly rate contract	No fixed term.	Either party may terminate by providing 3 months' notice.

<sup>1</sup> Superannuation rate applicable to the year ended 30 June 2024 was 11% per annum. The superannuation rate increases to 11.5% per annum from 1 July 2024.

<sup>2</sup> From 1 July 2024, Mr English's superannuation contributions will be based on the superannuation guarantee levy rate prescribed by the Superannuation Guarantee Administration Act 1992 (Cth), being 11.5% per annum, up to the maximum superannuation contribution base (MSCB).

<sup>3</sup> In July 2024, the Remuneration and Nomination Committee undertook a review of staff wages. The review was conducted to ensure that wages are keeping up with recent CPI and interest rate increases and that wages are not declining in real terms. Consequently, the Board approved a 4% per annum increase to Mr English's TFR (with effect on and from 1 July 2024).

<sup>4</sup> Contract payments are made to Damien Connor Consulting Pty Ltd – an entity associated with Damien Connor.

## 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 eligible staff, 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

No Options were granted as remuneration to KMP during the year ended 30 June 2024 (30 June 2023: Nil).

#### Options to KMP forfeited, cancelled, lapsed or expired during the reporting period

During the reporting period 1,500,000 Options, with an exercise price of \$0.7277 each and expiring on 31 March 2024, expired unexercised.

### 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 of 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 2024 (30 June 2023: Nil).

## 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 <sup>1</sup> <i>Executive Chair</i>	\$62,165 (inclusive of superannuation)	100%	-
Dr Mohammad Choucair <sup>2</sup> <i>Chief Executive Officer</i>	\$18,398 (inclusive of superannuation)	20%	80%

<sup>1</sup> 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. The KPI's subject of the bonus payable for the financial year were determined with reference to satisfaction of performance targets relating to corporate strategy objectives, funding and stakeholder management.

<sup>2</sup> Dr Choucair's contract of employment provides for a discretionary cash bonus of up to 25% of his salary each year, determined with reference to KPIs set by the Board annually. The KPI's subject of the bonus payable for the financial year were determined with reference to satisfaction of performance targets relating to key technical and corporate strategy objectives.

No other key management personnel were awarded short-term incentive cash bonuses as remuneration during the year ended 30 June 2024.

## F. Other Information

### Option Holdings of Key Management Personnel as at 30 June 2024

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

2024 Key Management Personnel	Held at 1 July 2023	Vested and exercisable at 1 July 2023	Granted as Remuneration	Exercised	Forfeited/ Lapsed/ Expired/ Cancelled	Held at 30 June 2024	Vested and Exercisable at 30 June 2024
Mr English	5,000,000	3,333,334	-	-	-	5,000,000	5,000,000
Mr Williams	3,000,000	1,000,000	-	-	(1,500,000)	1,500,000	1,500,000
Ms Harkin	1,500,000	1,000,000	-	-	-	1,500,000	1,500,000
Dr Choucair	6,000,000	4,000,000	-	-	-	6,000,000	6,000,000
Mr Connor	1,500,000	1,000,000	-	-	-	1,500,000	1,500,000
<b>Total</b>	<b>17,000,000</b>	<b>10,333,334</b>	<b>-</b>	<b>-</b>	<b>(1,500,000)</b>	<b>15,500,000</b>	<b>15,500,000</b>

### Performance Rights Holdings of Key Management Personnel as at 30 June 2024

There were no Rights to acquire shares in the Company held by KMP during the current or prior reporting period.

### Share Holdings of Key Management Personnel as at 30 June 2024

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

2024 Key Management Personnel	Held at 1 July 2023	Granted as Compensation	Options Exercised	Other Changes	Held at 30 June 2024
Mr English	11,509,852	-	-	-	11,509,852
Mr Williams	-	-	-	-	-
Ms Harkin	-	-	-	-	-
Dr Choucair	3,854,927	-	-	-	3,854,927
Mr Connor	943,831	-	-	-	943,831
<b>Total</b>	<b>16,308,610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,308,610</b>

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**Transactions with Key Management Personnel**

Transactions with key management personnel and related parties as disclosed below are made on normal commercial terms and conditions. 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 Management Personnel/Director	Services Provided	2024 \$	2023 \$
Piper Alderman Lawyers	A business of which Greg English is a Consultant.	Legal advice	\$9,271	\$14,172
Damien Connor Consulting Pty Ltd	A business of which Damien Connor is a Director.	Finance/ Co. Secretary consulting fees.	\$237,563	\$170,550

Dr Choucair is a co-inventor of the <sup>12</sup>CQ intellectual property licenced to Archer under a Licence Agreement with The University of Sydney. During the year Dr Choucair was paid \$29,203 by The University of Sydney (2023: Nil).

**END OF AUDITED REMUNERATION REPORT**

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### 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 <sup>1</sup>	2/12/2021	24/11/2021	8,000,000	\$1.79	31/05/2025
CEO <sup>1</sup>	2/12/2021	24/11/2021	6,000,000	\$1.79	31/05/2025
Company Secretary <sup>1</sup>	2/12/2021	24/11/2021	1,500,000	\$1.79	31/05/2025
Other Employees	2/12/2021	24/11/2021	3,200,000	\$1.79	31/05/2025
			<b>18,700,000</b>		

<sup>1</sup> Previously issued to members of key management personnel as remuneration.

All 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.

Refer Note 18 for details of movement in Options during the reporting period. No Options over ordinary shares have been issued, forfeited, cancelled or lapsed since the end of the reporting period.

### Performance Rights (Rights)

There were no Rights on issue during the reporting period or as at the date of this 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 2024.



#### **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.

#### **Non-audit services**

Details of the amounts paid or payable to the auditor (Grant Thornton) for services they provided during the financial year are outlined in Note 6 to the financial statements. No non-audit services were provided by the auditor during the year.

#### **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 and the Remuneration and Nomination Committee.

The Company's Corporate Governance Statement for the financial year ending 30 June 2024 is dated 30 June 2024 and was approved by the Board on 28 August 2024.

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](http://www.archerx.com.au).

#### **Auditor's Declaration**

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 39 and forms part of the director's report for the financial year ended 30 June 2024.

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



**Greg English**

Executive Chair

28 August 2024

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Grant Thornton House  
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Adelaide SA 5000  
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Adelaide SA 5001  
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## 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 2024, 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 AUDIT PTY LTD  
Chartered Accountants

J.L. Humphrey  
Partner – Audit & Assurance

Adelaide, 28 August 2024

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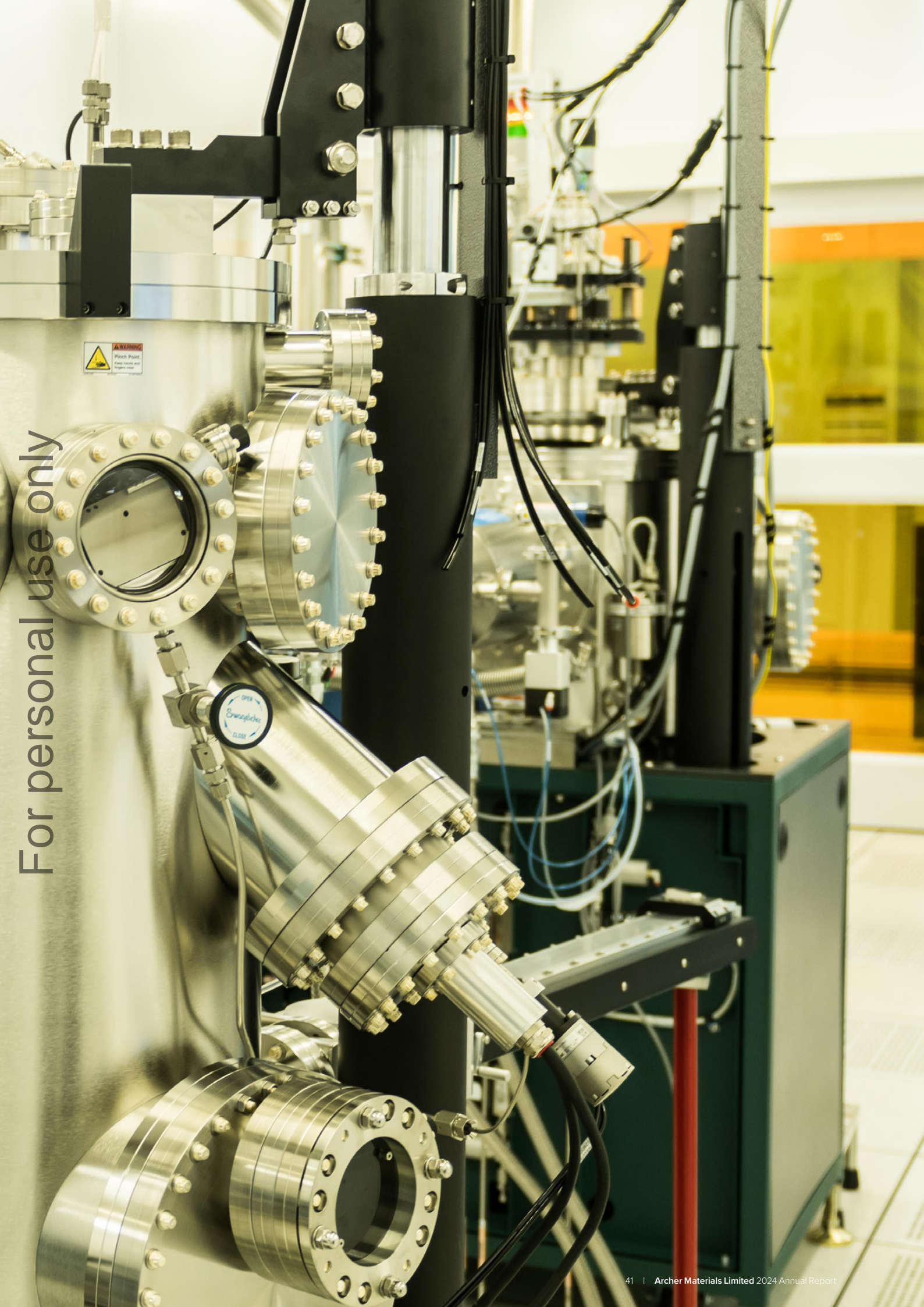
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Financial  
Information

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

	Notes	CONSOLIDATED GROUP	
		2024 \$	2023 \$
<b>REVENUE</b>			
Revenue from ordinary activities		-	-
<b>OTHER INCOME</b>			
Research and development tax concession		2,135,936	1,498,471
Other income	3	941,147	702,248
		<b>3,077,083</b>	<b>2,200,719</b>
<b>EXPENSES</b>			
Depreciation expense		(154,523)	(34,395)
Amortisation of intangibles	11	(27,171)	(19,344)
Quantum and biochip technology research expenditure		(4,524,190)	(2,965,560)
Employee benefits expense		(1,257,843)	(1,098,392)
Share based payments expense	18	(603,093)	(5,554,843)
Fair value loss on financial assets	9	(307,620)	(848,391)
Corporate consultants/public relations expense		(459,321)	(216,325)
ASX listing and share registry expense		(145,610)	(163,923)
Other expenses		(400,862)	(349,003)
<b>LOSS BEFORE TAX</b>		<b>(4,803,150)</b>	<b>(9,049,457)</b>
Income tax benefit /(expense)		-	-
<b>LOSS FOR THE YEAR</b>		<b>(4,803,150)</b>	<b>(9,049,457)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(4,803,150)</b>	<b>(9,049,457)</b>
		Cents	Cents
Loss per share			
Basic and diluted loss for the year per share	16	(1.88)	(3.62)

The financial statements should be read in conjunction with the accompanying notes.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Notes	CONSOLIDATED GROUP	
		2024 \$	2023 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	2,838,675	772,317
Term deposits – short term	7	15,371,145	22,545,145
Trade and other receivables	8	2,575,930	2,032,765
Other financial assets	9	567,259	874,879
Prepayments		761,237	537,127
<b>TOTAL CURRENT ASSETS</b>		<b>22,114,245</b>	<b>26,762,233</b>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	11	502,754	353,694
Property, plant and equipment		163,931	83,880
Right of use asset – office leases	14	109,309	9,097
<b>TOTAL NON-CURRENT ASSETS</b>		<b>775,994</b>	<b>446,671</b>
<b>TOTAL ASSETS</b>		<b>22,890,239</b>	<b>27,208,904</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	614,090	785,719
Lease liability		94,335	9,097
Employee entitlements	13	342,237	378,868
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,050,662</b>	<b>1,173,684</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		14,974	-
Employee entitlements	13	24,423	34,983
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>39,397</b>	<b>34,983</b>
<b>TOTAL LIABILITIES</b>		<b>1,090,059</b>	<b>1,208,667</b>
<b>NET ASSETS</b>		<b>21,800,180</b>	<b>26,000,237</b>
<b>EQUITY</b>			
Issued capital	15	47,799,119	47,799,119
Reserves	17	14,219,548	15,371,834
Accumulated losses		(40,218,487)	(37,170,716)
<b>TOTAL EQUITY</b>		<b>21,800,180</b>	<b>26,000,237</b>

The financial statements should be read in conjunction with the accompanying notes.

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

	Issued Capital \$	Retained Earnings \$	Share Based Payments Reserve \$	Acquisition Reserve \$	Total \$
<b>BALANCE AT 1 JULY 2023</b>	<b>47,799,119</b>	<b>(37,170,716)</b>	<b>15,371,834</b>	<b>-</b>	<b>26,000,237</b>
Expense associated with unlisted option vesting during the period (refer Note 18)	-	-	603,093	-	603,093
Transfer of lapsed or exercised share-based payments to retained earnings	-	1,755,379	(1,755,379)	-	-
<b>Transactions with owners</b>	<b>47,799,119</b>	<b>(35,415,337)</b>	<b>14,219,548</b>	<b>-</b>	<b>26,603,330</b>
Total loss for the year	-	(4,803,150)	-	-	(4,803,150)
Other comprehensive income	-	-	-	-	-
<b>BALANCE AT 30 JUNE 2024</b>	<b>47,799,119</b>	<b>(40,218,487)</b>	<b>14,219,548</b>	<b>-</b>	<b>21,800,180</b>

	Issued Capital \$	Retained Earnings \$	Share Based Payments Reserve \$	Acquisition Reserve \$	Total \$
<b>BALANCE AT 1 JULY 2022</b>	<b>47,723,569</b>	<b>(29,197,602)</b>	<b>10,893,334</b>	<b>-</b>	<b>29,419,301</b>
Expense associated with unlisted option vesting during the period (refer Note 18)	-	-	5,554,843	-	5,554,843
Shares issued during the year - net of costs (refer Note 15)	75,550	-	-	-	75,550
Transfer of lapsed or exercised share-based payments to retained earnings	-	1,076,343	(1,076,343)	-	-
<b>Transactions with owners</b>	<b>47,799,119</b>	<b>(28,121,259)</b>	<b>15,371,834</b>	<b>-</b>	<b>35,049,694</b>
Total loss for the year	-	(9,049,457)	-	-	(9,049,457)
Other comprehensive income	-	-	-	-	-
<b>BALANCE AT 30 JUNE 2023</b>	<b>47,799,119</b>	<b>(37,170,716)</b>	<b>15,371,834</b>	<b>-</b>	<b>26,000,237</b>

The financial statements should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE**

	Notes	CONSOLIDATED GROUP	
		2024 \$	2023 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(2,825,325)	(1,334,837)
Payments for quantum and biochip technology research activities		(4,524,190)	(2,965,560)
Interest received		1,098,763	227,903
Research and development tax concession received		1,455,936	1,021,471
Innovation grant received		-	25,000
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	19	<b>(4,794,816)</b>	<b>(3,026,023)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from redemption of short term deposits	7	7,174,000	2,500,000
Payments for intellectual property		(80,642)	(124,698)
Payments for property, plant and equipment		(116,365)	(60,402)
<b>NET CASH PROVIDED BY / (USED) IN INVESTING ACTIVITIES</b>		<b>6,976,993</b>	<b>2,314,900</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	15	-	75,550
Payment of lease liability		(115,819)	(10,652)
<b>NET CASH (USED) / PROVIDED BY FINANCING ACTIVITIES</b>		<b>(115,819)</b>	<b>64,898</b>
Net increase / (decrease) in cash held		2,066,358	(646,225)
Cash at the beginning of the year		772,317	1,418,542
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	7	<b>2,838,675</b>	<b>772,317</b>

The financial statements should be read in conjunction with the accompanying notes.

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## Notes to the Financial Statements for the year ended 30 June 2024

**NOTE 1 – STATEMENT OF MATERIAL 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 10 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.

**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.

**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 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
Leasehold improvements	2.5%	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 infinite 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 quantum and biochip technology research expenditure. Development expenditures on an individual project are recognised as an intangible asset only 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.

## Notes to the Financial Statements for the year ended 30 June 2024

**Patents and licences**

The Group has made payments in respect of patents and licences and also pays 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 a finite useful life.

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

	Licences	Patents
<b>Useful lives</b>	Finite (5 years)	Finite (20 years)
<b>Amortisation method used</b>	Amortised on a straight-line basis over the period of the licence	Amortised on a straight-line basis over the period of the patent
<b>Internally generated or acquired</b>	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.

**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. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying 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.

## Notes to the Financial Statements for the year ended 30 June 2024

**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.

## Notes to the Financial Statements for the year ended 30 June 2024

**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 dispose 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.

*(ii) 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 48.5% non-refundable tax offset (as a non base rate entity) or otherwise 43.5% (as a base rate entity). 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 research and development tax concession 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.

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 28 August 2024 by the Board of Directors.



## Notes to the Financial Statements for the year ended 30 June 2024

**NOTE 2 – 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.

**NOTE 3 – OTHER INCOME****CONSOLIDATED GROUP**

	30 JUNE 2024 \$	30 JUNE 2023 \$
Interest income	941,147	677,248
Commonwealth innovation grant	-	25,000
<b>TOTAL OTHER INCOME</b>	<b>941,147</b>	<b>702,248</b>

**NOTE 4 – INCOME TAX****30 JUNE****30 JUNE****2024****2023****\$****\$**

a) The components of income tax benefit comprise:

Current tax	-	-
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b) The prima facie tax on loss from before income tax is reconciled to the income tax as follows:

30% (2023: 30%):

Net loss	(4,803,150)	(9,049,457)
Income tax rate	30%	30%
Prima facie tax benefit on loss before income tax	(1,440,945)	(2,714,837)
(Non-assessable income) / Non-deductible expenses	(386,100)	968,198
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	1,827,045	1,746,639
Income tax attributable to loss	-	-

c) Unused tax losses for which no deferred tax asset has been recognised at 30% (2023: 30%)	8,062,817	7,663,471
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d) Timing difference for which no deferred tax asset / (liability) has been recognised	69,540	(36,595)
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**NOTE 5 – 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	Chair – Executive
Mr Kenneth Williams	Director – Non-executive
Ms Bernadette Harkin	Director – Non-executive
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). Detailed disclosures regarding remuneration are found in the Remuneration report contained in the Directors report.

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

	30 JUNE 2024 \$	30 JUNE 2023 \$
Short term benefits	1,158,430	987,617
Post-employment benefit (superannuation)	101,658	86,176
Share - based payments	1,436,409	3,940,370
	<b>2,696,497</b>	<b>5,014,163</b>

**NOTE 6 – AUDITOR REMUNERATION**

	30 JUNE 2024 \$	30 JUNE 2023 \$
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Total fees paid or payable for services provided by Grant Thornton Audit Pty Ltd and its related practices were as follows:

**Audit Services**

Audit and review of Financial Reports	62,000	59,600
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No non audit services were provided.

**NOTE 7 – CASH AND CASH EQUIVALENTS AND TERM DEPOSITS**

	30 JUNE 2024 \$	30 JUNE 2023 \$
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Cash at bank and on hand	2,838,675	772,317
Short term deposits	15,371,145	22,545,145

For the year ended 30 June 2024, the Group has deposited any funds surplus to immediate requirements in higher yielding short term deposits. Maturity dates for short term deposits vary between 30 and 365 days at 30 June 2024. The weighted average interest rate on the short term deposits is 5.11%. Short term bank deposits are able to be converted to available cash with 30 days' notice. The Group's exposure to interest rate risk is summarised at Note 22.

## Notes to the Financial Statements for the year ended 30 June 2024

<b>NOTE 8 – TRADE AND OTHER RECEIVABLES</b>	<b>30 JUNE 2024 \$</b>	<b>30 JUNE 2023 \$</b>
Research and development tax incentive receivable	2,130,000	1,450,000
Accrued interest receivable – short term deposits	372,636	530,252
Other receivables	73,294	52,513
	<b>2,575,930</b>	<b>2,032,765</b>

<b>NOTE 9 – OTHER FINANCIAL ASSETS</b>	<b>30 JUNE 2024 \$</b>	<b>30 JUNE 2023 \$</b>
Financial assets - at fair value through profit or loss		
- Listed Investment in Volatus Capital Corp (“Volatus”) - shares	8,952	18,617
- Listed Investment in ChemX Materials Ltd (“ChemX”) - shares	555,414	821,549
- Listed Investment in ChemX Materials Ltd (“ChemX”) - options	2,893	34,713
	<b>567,259</b>	<b>874,879</b>

*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	874,879	1,708,806
Additions – listed options in ChemX (at cost)	-	14,464
Revaluation decrements	(307,620)	(848,391)
Closing fair value	<b>567,259</b>	<b>874,879</b>

All financial assets designated at fair value through profit or loss utilise level 1.

*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 either: (i) 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; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

The fair value of listed investments (publicly traded equity securities) is based on quoted market prices at the end of the reporting period (Level 1).

NOTE 10 – INVESTMENT IN CONTROLLED ENTITIES	Country of Incorporation	PERCENTAGE OWNED	
		30 JUNE 2024 %	30 JUNE 2023 %
<b>Parent Entity</b>			
- Archer Materials Limited	<i>Australia</i>		
<b>Subsidiaries of Archer Materials Limited:</b>			
- Carbon Allotropes Pty Limited	<i>Australia</i>	100	100
- Archer Energy and Resources Pty Ltd	<i>Australia</i>	100	100
- Archer Metals Pty Ltd	<i>Australia</i>	100	100
- Archer IOCG Pty Ltd	<i>Australia</i>	100	100
<b>NOTE 11 – INTANGIBLE ASSETS</b>			
		30 JUNE 2024 \$	30 JUNE 2023 \$
Patents, licences and trademarks - at cost		574,204	397,973
Accumulated amortisation		(71,450)	(44,279)
		<b>502,754</b>	<b>353,694</b>
<b>Movements in carrying amounts:</b>			
Balance at the beginning of the period		353,694	248,340
Additions		176,231	124,698
Amortisation		(27,171)	(19,344)
<b>Balance at the end of the period</b>		<b>502,754</b>	<b>353,694</b>
<b>NOTE 12 – TRADE AND OTHER PAYABLES</b>			
		30 JUNE 2024 \$	30 JUNE 2023 \$
Trade payables		307,393	388,621
Other creditors and accruals		306,697	397,098
		<b>614,090</b>	<b>785,719</b>
<b>NOTE 13 – EMPLOYEE ENTITLEMENTS</b>			
		30 JUNE 2024 \$	30 JUNE 2023 \$
Current – annual leave, long service leave and other employee provisions		342,237	378,868
Non-current - long service leave provision		24,423	34,983
		<b>366,660</b>	<b>413,851</b>

## Notes to the Financial Statements for the year ended 30 June 2024

<b>NOTE 14 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES</b>	<b>30 JUNE 2024 \$</b>	<b>30 JUNE 2023 \$</b>
<b>Lease Liabilities</b>		
Opening Balance	9,097	19,750
Initial recognition of office leases	216,031	-
Interest during the year	-	-
Lease payment during the year	(115,819)	(10,653)
<b>Balance at the end of the year</b>	<b>109,309</b>	<b>9,097</b>
Classified as:		
Current	94,335	9,097
Non-current	14,974	-
	109,309	9,097
<b>Right-of-use-Asset</b>		
Balance on initial recognition	31,805	31,805
Initial recognition of office leases during the year	216,031	-
Balance at the end of the year	247,836	31,805
<i>Accumulated amortisation</i>		
Balance at the beginning of the year	(22,708)	(12,056)
Amortisation during the year	(115,819)	(10,652)
Balance at the end of the year	(138,527)	(22,702)
<b>Balance at the end of the year</b>	<b>109,309</b>	<b>9,097</b>

The Group has entered into lease contracts for corporate offices in Adelaide, South Australia and Sydney, New South Wales. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

The Adelaide office lease has been extended for a period of 2 years from 7 May 2024 (expires 31 May 2026). The Sydney office lease has a term of 13 months (from 1 November 2023 to 31 December 2024). The Group is in the process of securing a lease for an alternative location for its Sydney office post 31 December 2024.

Refer to Note 1 for the accounting policy that applies to lease liabilities and right-of-use assets.

NOTE 15 – ISSUED CAPITAL	CONSOLIDATED GROUP	
	30 JUNE 2024	30 JUNE 2023
	\$	\$
254,847,013 (2023: 254,847,013) fully paid ordinary shares	47,799,119	47,799,119
<b>a) Shares on issue</b>		
<b>30 June 2024</b>	<b>Number</b>	<b>\$</b>
<b>Movements in fully paid shares</b>		
Balance as at 1 July 2023	254,847,013	47,723,119
Shares issued - nil	-	-
Balance as at 30 June 2024	<b>254,847,013</b>	<b>47,723,119</b>
<b>Shares on issue</b>		
<b>30 June 2023</b>	<b>Number</b>	<b>\$</b>
<b>Movements in fully paid shares</b>		
Balance as at 1 July 2022	248,467,207	47,723,569
Shares issued - exercise of Options (31 October 2022)	500,000	75,550
Shares issued - exercise of Options (27 March 2023) <sup>1</sup>	5,879,806	-
Balance as at 30 June 2024	<b>254,847,013</b>	<b>47,723,119</b>

<sup>1</sup> 5,879,806 Shares issued following the cashless exercise of 8,800,000 Options (exercisable at \$0.1511 each and expiring or before 31 March 2023).

On 9 March 2023, the Board (with Mr English abstaining) approved an amendment to the Archer Performance Rights and Share Option Plan (the 'Plan'), to include a Cashless Exercise Mechanism. The formula for calculating the number of Shares to be issued on Cash-less Exercise, pursuant to the Plan, as amended, is as follows as:

$$A = O - ((O \times E) / SP)$$

Where:

A = the number of Shares required to be issued by the Company;

O = the number of Share Options for which the Cash-less Exercise Mechanism has been exercised;

E = the Exercise Price for the Share Options for which the Cash-less Exercise Mechanism has been exercised;

SP = the volume weighted average market price (as defined in the ASX Listing Rules) of Shares over the five (5) trading days on which trades in Shares are actually recorded immediately preceding (but excluding) the date of the Notice of Exercise.

#### (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 2024	Balance at 30 June 2023
Director	30/11/2020	30/11/2020	1,500,000	\$0.7277	31/03/2024	-	1,500,000
Directors, CEO & Other Employees	2/12/2021	24/11/2021	24,050,000	\$1.79	31/05/2025	18,700,000	21,950,000
Other Employees	29/8/2022	28/8/2022	1,500,000	\$1.79	31/03/2025	-	1,500,000
			<b>27,050,000</b>			<b>18,700,000</b>	<b>24,950,000</b>

## Notes to the Financial Statements for the year ended 30 June 2024

**NOTE 15 – ISSUED CAPITAL (CONTINUED)**

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

**Options granted during the year**

There were no Options granted during the year.

**Options exercised during the year**

There were no Options exercised during the year.

**Options lapsed/forfeited during the year**

4,750,000 Options with an exercise price of \$1.79 and expiring on 31 May 2025, lapsed or forfeited in accordance with the terms of which they were issued; and

1,500,000 Options with an exercise price of \$0.7277 and expiring on 31 March 2024, expired unexercised.

See Note 18 for further details regarding movements in Options during the year.

**c) Performance Rights (Rights) on issue**

There were no Rights on issue during the reporting period or as 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 16 – LOSS PER SHARE**

**30 JUNE**  
**2024**  
\$

**30 JUNE**  
**2023**  
\$

Reconciliation of earnings to Statement of Profit or Loss and other Comprehensive Income

Loss for year used to calculate basic EPS

(4,791,150)

(9,049,457)

*Number*

*Number*

a) Weighted average number of shares outstanding during the year used in calculation of basic EPS

254,847,013

250,329,074

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.

<b>NOTE 17 – RESERVES</b>	<b>30 JUNE 2024 \$</b>	<b>30 JUNE 2023 \$</b>
<b>Share-based payments reserve</b>		
Share based payment reserve	14,219,548	15,371,834
<b>Movement associated with Options during the year:</b>		
Opening Balance	15,371,834	10,893,334
Granted – expense associated with vesting during the year	1,874,384	5,890,941
Exercised	-	(544,060)
Forfeited	(1,271,291)	(336,098)
Lapsed	(1,755,379)	(532,283)
Closing Balance	<b>14,219,548</b>	<b>15,371,834</b>

The share-based payments reserve records items recognised as an expense on the valuation of Options or Rights. Refer Note 18 for further details regarding the movement in Options issued during the reporting period.

#### **NOTE 18 – SHARE BASED PAYMENTS**

##### **UNLISTED OPTIONS 30 JUNE 2024**

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

	<b>Number of Options</b>	<b>\$</b>	<b>Weighted Average Exercise Price Per Option</b>
Opening Balance (1 July 2023)	24,950,000	15,371,834	\$1.73
Expense related to vesting of options in prior periods	-	1,874,384	\$1.79
Forfeited	(2,500,000)	(1,271,291)	\$1.79
Lapsed	(2,250,000)	(1,351,129)	\$1.79
Expired	(1,500,000)	(404,250)	\$0.7277
<b>Closing Balance – 30 June 2024</b>	<b>18,700,000</b>	<b>14,219,548</b>	<b>\$1.79</b>

The weighted average remaining contractual life of Options at 30 June 2024 is 0.92 years.

During the year, an amount of \$1,755,379 was transferred to retained losses, relating to prior period share-based payments associated with the write-back to retained earnings of share-based payments expense associated with previously issued Options that had vested and were lapsed or expired during the year.

During the year an amount of \$603,093 was recorded to the Statement of Profit or Loss and Other Comprehensive Income under 'share based payments expense' (30 June 2023: \$5,554,843), associated with:

- > vesting of Options granted during prior reporting periods \$1,874,074; and
- > write back to profit and loss, associated with previously issued Options that had not vested and were forfeited during the current year (\$1,271,291).



## Notes to the Financial Statements for the year ended 30 June 2024

**NOTE 18 – SHARE BASED PAYMENTS (CONTINUED)****Options granted during the year**

No Options were granted during the year.

**Options exercised during the year**

No options were exercised during the year.

**Options forfeited, lapsed or expired during the year**

4,750,000 Options with an exercise price of \$1.79 and expiring on 31 May 2025, lapsed or forfeited in accordance with the terms of which they were issued; and

1,500,000 Options with an exercise price of \$0.7277 and expiring on 31 March 2024, expired unexercised.

An amount of \$1,755,379 was written-back to retained losses for the year ended 30 June 2024, relating to prior period share-based payments expense associated with the 3,750,000 vested Options that lapsed or expired during the year.

An amount of \$1,271,291 was written-back to the 'share-based payments expense' on the Statement of Profit or Loss and Other Comprehensive Income' for the year ended 30 June 2024, relating to prior period share-based payments expense associated with the 2,500,000 unvested Options that were forfeited during the year.

**Performance Rights**

There were no performance rights on issue at any time during the current or prior reporting periods.

**NOTE 19 – CASH FLOW INFORMATION**

a) Reconciliation of cash flows from operations with loss after income tax	30 JUNE 2024 \$	30 JUNE 2023 \$
Loss after income tax	(4,803,150)	(9,049,457)
Depreciation (net of capitalised depreciation)	154,523	34,395
Amortisation of intangibles	27,171	19,344
Fair value loss on financial assets (Note 9)	307,620	848,391
Share based payments	1,874,385	5,890,941
Wire-back of share based payment expense – forfeited options	(1,271,291)	(336,098)
Changes in assets and liabilities:		
- Increase in trade and other receivables	(767,275)	(906,624)
- (Decrease)/increase in trade and other payables	(269,608)	436,959
- (Decrease)/increase in employee entitlements	(47,191)	36,126
<b>Net cash used in operating activities from continuing operations</b>	<b>(4,794,816)</b>	<b>(3,026,023)</b>

**b) Non-Cash Financing and Investing Activities**

There were no non-cash investing or financing activities undertaken during reporting period.

**NOTE 20 – CONTINGENT ASSETS, LIABILITIES & COMMITMENTS***Sugarloaf Land Option*

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 farmland 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 4 December 2028. The Land Option was not assigned to iTech Minerals Ltd.

*ChemX Materials Limited – royalty*

In June 2021 Archer announced the completion of the sale of tenements to ChemX Materials Limited. In addition to the consideration already received, 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.

*Leigh Creek Project bonus payment*

In August 2020, the Company sold the Leigh Creek Magnesite Project (“Project”) to Magmetal Tech Pty and Witchimag Pty Ltd (“Witchimag”). Under the terms of the Project sale agreement, Archer is entitled to a bonus payment if Witchimag lists on a stock exchange after completion. The bonus payment is equal to 5% of the value of the consideration paid to the owners of Witchimag under the listing (“bonus payment”). In June 2022, Canadian Stock Exchange listed Crest Resources Inc (“Crest”) announced that it had entered into a Letter of Intent to acquire a 69.5% interest in Witchimag. If Crests acquisition of Witchimag completes, then the Company may become entitled to the bonus payment.

The Group did not have any further contingent assets or liabilities as at 30 June 2024.

**NOTE 21 – RELATED PARTY TRANSACTIONS****a) Subsidiaries**

Interests in subsidiaries are disclosed in Note 10.

**b) Key Management Personnel**

Disclosures relating to Key Management personnel are set out in Note 5 and the Remuneration Report contained within the Directors’ Report.

**c) Other transactions with related parties**

Piper Alderman lawyers were paid a total of \$9,271 (2023: \$14,172) for legal services rendered to the Group. Mr English is a Consultant at Piper Alderman lawyers.

Dr Choucair is a co-inventor of the <sup>12</sup>CQ intellectual property licenced to Archer under a Licence Agreement with The University of Sydney. During the year Dr Choucair was paid \$29,203 by The University of Sydney (2023: Nil).

## Notes to the Financial Statements for the year ended 30 June 2024

## NOTE 22 – 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) 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.

*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.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising 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.

**c) 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.

*Interest Rate Sensitivity Analysis*

At 30 June 2024, 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:

	2024 \$	2023 \$
<b>Change in loss</b>		
- Increase in interest rates by 2%	307,423	450,903
- Decrease in interest rates by 2%	(307,423)	(450,903)
<b>Change in equity</b>		
- Increase in interest rates by 2%	307,423	450,903
- Decrease in interest rates by 2%	(307,423)	(450,903)

**d) 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.

**e) 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.

## f) Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Trade payables are generally payable on 30-day terms.

### Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>Consolidated – 30 June 2024</b>	%	\$	\$	\$	\$
<i>Non-interest bearing</i>					
Trade and other payables		614,090	-	-	-
<i>Interest-bearing - variable</i>					
Lease liability	4.1%	94,335	14,974	-	-
<b>Total</b>		<b>708,425</b>	<b>14,974</b>	-	-

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>Consolidated – 30 June 2023</b>	%	\$	\$	\$	\$
<i>Non-interest bearing</i>					
Trade and other payables		785,719	-	-	-
<i>Interest-bearing - variable</i>					
Lease liability	4.1%	9,097	-	-	-
<b>Total</b>		<b>794,816</b>	-	-	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## g) Market risk

### Foreign currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD).

### Price risk

The Group is exposed to price risk associated with the investment in listed company shares.

## Notes to the Financial Statements for the year ended 30 June 2024

**NOTE 23 – ARCHER MATERIALS LIMITED PARENT COMPANY INFORMATION**

PARENT ENTITY	30 JUNE 2024 \$	30 JUNE 2023 \$
<b>ASSETS</b>		
Current assets	21,545,461	25,885,383
Other financial assets	567,259	874,879
Investments in subsidiaries	1,524	1,971
Other Non-current assets	775,995	446,671
<b>TOTAL ASSETS</b>	<b>22,890,239</b>	<b>27,208,904</b>
<b>LIABILITIES</b>		
Current liabilities	1,050,662	1,173,684
Non-current liabilities	39,397	34,983
<b>TOTAL LIABILITIES</b>	<b>1,090,059</b>	<b>1,208,667</b>
<b>EQUITY</b>		
Issued capital	47,799,119	47,799,119
Share based payments reserve	14,219,548	15,371,834
Retained losses	(40,218,487)	(37,170,716)
<b>TOTAL EQUITY</b>	<b>21,800,180</b>	<b>26,000,237</b>
<b>FINANCIAL PERFORMANCE</b>		
Loss for the year	(4,802,703)	(9,048,997)
Other comprehensive income	-	-
<b>TOTAL LOSS</b>	<b>(4,802,703)</b>	<b>(9,048,997)</b>

**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 Archer Energy & Resources Pty Ltd, Carbon Allotropes Pty Limited, Archer IOCG Pty Ltd and Archer Metals Pty Ltd.

**Contingent assets, liabilities and commitments**

Refer Note 20 for details of contingent assets, liabilities and commitments as at 30 June 2024.

**NOTE 24 – EVENTS SUBSEQUENT TO REPORTING DATE**

On 12 July 2024 the Group announced the departure of Dr Mohammad Choucair as Chief Executive Officer (“CEO”), with Mohammad to step down from the CEO role in January 2025 to ensure a smooth transition and handover. Dr Mohammad Choucair held the position of Chief Executive Officer during the financial year and as at the date of this report.

On 15 July 2024 the Group announced Dr Simon Ruffell’s promotion to Chief Technology Officer (“CTO”) to ensure a smooth transition and the continued growth of the Group’s two key projects.

The Directors are not aware of any other matter or circumstance that has arisen since the end of the year 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.

# Consolidated Entity Disclosure Statement

For the Year Ended 30 June 2024

## Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

## Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

## Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

### Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

### Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Entity Name	Type of Entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Archer Materials Limited (Parent Entity)	Body Corporate	n/a		Australia	Australian	n/a
Carbon Allotropes Pty Limited	Body Corporate	n/a	100	Australia	Australian	n/a
Archer Energy and Resources Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Archer Metals Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Archer IOCG Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a

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Directors'  
Declaration

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## The Directors of the Company declare that:

1. the Financial Statements and Notes as set out on pages 42 to 67 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 2024 and of the performance for the period ended on that date.
2. the Executive Chair 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 Company will be able to pay its debts as and when they become due and payable.
4. the information disclosed in the consolidated entity disclosure statement is true and correct as at 30 June 2024.

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



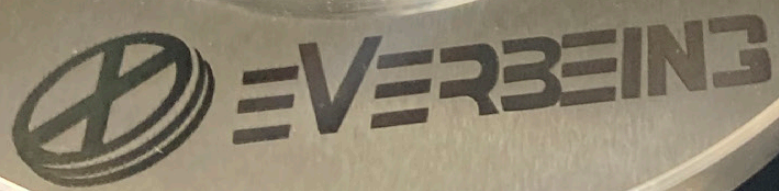
**Greg English**  
Executive Chair

Dated this 28th day of August 2024



Independent  
Auditor's Report

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## 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 2024, 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 and of its performance for the year ended on that date; and
- a 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 (including Independence Standards)* (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.

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**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
<p><b>Recognition of research and development tax incentive – Notes 1 &amp; 8</b></p> <p>The Group receives a research and development (R&amp;D) refundable tax offset from the Australian government, which represents 48.5 cents in each dollar of eligible annual R&amp;D expenditure if its turnover is less than \$20 million per annum. Registration of R&amp;D Activities Application is filed with AusIndustry in the following financial year and based on this filing, the Group receives the incentive in cash.</p> <p>Management reviewed the Group's total R&amp;D expenditure to estimate the refundable tax offset receivable under the R&amp;D tax incentive legislation.</p> <p>This area is a key audit matter due to the size of the accrual and the degree of judgment and interpretation of the R&amp;D tax legislation required by management to assess the eligibility of the R&amp;D expenditure under the scheme.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• obtaining through discussions with management and understanding of the process to estimate the claim;</li> <li>• utilising an internal R&amp;D tax specialist to:                             <ul style="list-style-type: none"> <li>– review the expenditure methodology employed by management for consistency with the R&amp;D tax offset rules; and</li> <li>– consider the nature of the expenses against the eligibility criteria of the R&amp;D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria;</li> </ul> </li> <li>• comparing the nature of the R&amp;D expenditure included in the current year estimate to the prior year's claim;</li> <li>• testing a sample of R&amp;D expenditure and agreeing to supporting documentation to ensure appropriate classification, the validity of the claimed amount and eligibility against the R&amp;D tax incentive scheme criteria;</li> <li>• assessing the appropriateness of the financial statement disclosures.</li> </ul>

**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 2024, 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:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

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- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of 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.

#### **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](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 pages 23 to 29 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Archer Materials Limited, for the year ended 30 June 2024 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 AUDIT PTY LTD  
Chartered Accountants

J.L. Humphrey  
Partner – Audit & Assurance

Adelaide, 28 August 2024



Additional  
Information

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

Information in this section is current as at 1 August 2024.

### 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	2,309	-
1,001 - 5,000	3,947	-
5,001 - 10,000	1,686	-
10,001 - 100,000	2,588	-
100,001 and over	399	8
<b>Total</b>	<b>10,929</b>	<b>8</b>

### Voting Rights

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

- 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.
- Unlisted Options: No voting rights.

Unmarketable Parcels	Minimum parcel size	Holders	Ordinary Shares
Minimum \$500.00 parcel at \$0.28 per share closing price on 1 August 2024.	1,786 shares	3,245	2,818,318

Twenty largest holders of each class of quoted equity security:

### Ordinary Shares

Rank	Name	Shares	% Issued capital
1	BNP PARIBAS NOMS PTY LTD	9,204,392	3.61
2	GDE EXPLORATION (SA) PTY LTD <DRAGON MINING INV A/C>	7,471,798	2.93
3	CITICORP NOMINEES PTY LIMITED	5,089,208	2.18
4	DR MOHAMMAD CHOUCAIR	3,854,927	1.51
5	INVERTON PTY LTD <ALICE MCCLEARY SUPER A/C>	3,491,072	1.37
6	GDE EXPLORATION (SA) PTY LTD <A1 ENGLISH FAMILY A/C>	3,006,719	1.18
7	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	2,960,223	1.16
8	MR FORBES VALE SPRAWSON + MRS MARGARET MARY SPRAWSON	2,300,000	0.90
9	KOOYAP PTY LTD <YAP & FOO S/F A/C>MR BASIL CATSIPORDAS	2,946,534	0.76
10	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C	1,699,078	0.67
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,604,321	0.63
12	BNP PARIBAS NOMINEES <IB AU NOMS RETAILCLIENT>	1,604,321	0.63
13	MR ALISTAIR CHARLES JACKSON	1,547,347	0.61
14	MR BASIL CATSIPORDASMR	1,475,000	0.58
15	MRS DEBORAH ANNETTE ROSSITER	1,463,679	0.57
16	MRS KAREN DRISCOLL + MR RAYMOND DRISCOLL <EDWIN HOLDINGS SUPER A/C>	1,316,970	0.52
17	WADE BOLLENHAGEN	1,218,300	0.48
18	MR JARROD DRISCOLL <DRISCOLL BROTHERS S/F A/C>	1,132,957	0.44
19	MR STEPHEN EDWARD MAHNKEN + MRS DIOR LEONE MAHNKEN	1,100,000	0.43
20	ROSSBOW PTY LTD <ANDREW MACPHERSON TDT A/C>	1,050,000	0.41
<b>Total</b>		<b>54,542,337</b>	<b>21.40</b>

## Corporate Governance Statement

For the Year Ended 30 June 2024

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](http://www.archerx.com.au)

Corporate directory

Stay in touch

## Directors

- > **Greg English**  
(Executive Chair)
- > **Kenneth Williams**  
(Independent Non-Executive Director)
- > **Bernadette Harkin**  
(Independent Non-Executive Director)

## Chief Executive Officer

- > **Dr 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.

## 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

## Australian Securities Exchange

The Company is listed on the Australian Securities Exchange

**ASX CODE: AXE**

## Receive the 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:

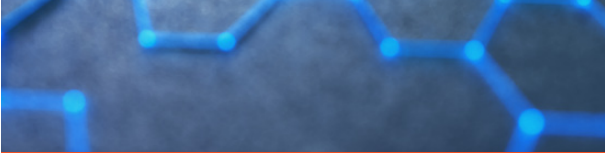
[www.investorcentre.com](http://www.investorcentre.com)

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

- > **Website:**  
[archerx.com.au](http://archerx.com.au)
- > **Sign up to our Newsletter:**  
[eepurl.com/dKosXI](http://eepurl.com/dKosXI)
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# Annual Report

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For person

