

Annual Report

For the year ended 30 June 2025

ARCHER



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.

Table of Contents

Archer Materials Limited Annual Report for the year ended 30 June 2025

Chair's Message	4
<hr/>	
Operating and Financial Review	
> Strategy	9
> Summary of Financial Performance	10
> Risk Management	11
<hr/>	
Core Technology Development	
> Quantum Technology ¹² CQ Project	16
> Biochip	19
> Archer's technology patents and patents pending	22
<hr/>	
Directors' Report	24
<hr/>	
Remuneration Report (audited)	30
<hr/>	
Auditor's Independence Declaration	45
<hr/>	
Financial Information	
> Statement of Profit or Loss and other Comprehensive Income	48
> Statement of Financial Position	49
> Statement of Changes in Equity	50
> Statement of Cash Flows	51
> Notes to the Financial Statements	52
<hr/>	
Consolidated Entity Disclosure Statement	72
<hr/>	
Directors' Declaration	73
<hr/>	
Independent Auditor's Report	74
<hr/>	
Additional Information	
> Shareholder information	79
> Ordinary Shares	80
> Corporate directory / Stay in touch	81
<hr/>	

Chair's Message

Greg English
Executive Chair





The past year has been significant for Archer Materials through technological achievements in the development of its ^{12}CQ project and Biochip. We have established new laboratories, restructured our processes and built a team that is delivering the next generation of computing, sensing, and medical diagnostics.

Archer is not just designing chips; the team is building the technological backbone of tomorrow by eliminating key technical risks and solidifying the company's patent portfolio. Archer's business model means that collaboration lies at the heart of its strategy to bring its cutting-edge devices to life. The company has deepened its ties with key partners including leading academic institutions and foundries around the globe, strengthening every link in the value chain.

The world is undergoing a dramatic shift toward the next phase of technology. As dependence on mobile technologies and connectivity grows, so too does the need for powerful, efficient semiconductors. This is not just in consumer tech, but in high-stakes sectors like quantum computing, sensing, and medical diagnostics. High performance semiconductors that support interconnected ecosystems with embedded intelligence will provide a pathway to participate in this shift.

The quantum team made solid progress in advancing the ^{12}CQ project over the last 12 months. Archer is building the foundations for quantum technologies, and to make this, we must have control (the input of quantum information into the device) and readout (the output of quantum information) of the quantum bit (qubit). By achieving the highest standards of readout and control, Archer can then demonstrate a single qubit.

The quantum team bolstered readout of the quantum processor by creating two proof-of-concept superconducting circuits containing up to eight resonators, with each resonator simultaneously able to control spin material. The work will also help the scalability and manufacture of the quantum devices.

There was also significant progress made on improving the control of the qubit with Archer's research partners. Using its carbon nano-onion material, Archer developed a novel carbon film material which is more scalable and manufacturable. Under certain conditions, the team was able to boost quantum spin coherence times from 385 nanoseconds to 800 nanoseconds in a warmer environment using its carbon film material. Quantum coherence usually can only occur under cryogenic temperatures, so Archer's work here helps bring quantum functionality closer to using it in ambient environments.

The team designed a new resonator circuit that achieved strong coupling between the spin states of its proprietary carbon-based spin material and the resonator, leading to more precise qubit readout. Alongside this, the team demonstrated the Coulomb blockade phenomenon at room temperature by developing circuit layouts.

Chair's Message

The Coulomb blockade is a phenomenon that allows for more precise readout of electron populations in quantum dots.

Alongside its work on the ¹²CQ project, the quantum team have also been working on a new technology through developing tunnelling magnetoresistance (TMR) sensors. Archer will use its quantum expertise to create TMR sensors that aim to replace traditional sensing technology for use in high growth sectors such as automotive, AI, data centres, and internet-of-things devices.

The company has received prototype sensors from one of its foundry partners and is currently working with customers for bespoke solutions.

It was an important and successful year for the Biochip team as it identified its first use case for the device for the at-home testing of chronic kidney disease. The Biochip's biosensor, the graphene field effect transistor (gFET), saw a series of advancements, through Archer's collaboration with its research and foundry partners, to improve its testing and accuracy of reading potassium for a portable cartage system.

Alongside this, the Biochip gFET bolstered its feasibility, speed, and real-world use application by integrating with silicon complementary metal-oxide semiconductor (CMOS) readout circuitry, as silicon is commonly used in today's chips.

The team also worked with Archer's foundry partners to bring the Biochip gFET closer to commercialisation by reducing the size of the chip by 97%, which lowers cost and improve scalability for manufacture.



The appointment of Dr Simon Ruffell to lead the company as Chief Executive Officer in March 2025 demonstrated the progress that Archer has made in 2025 and the ambition we have for the future. The Board thanks the executive team who have brought the company to where it is today.

Our ¹²CQ and Biochip technologies are at the forefront of the global semiconductor industry. With major investments flowing into the sector worldwide, momentum is building, helped by geopolitical factors that are reshaping global supply chains. In this environment, Archer is well-placed, having developed a focused strategy around pioneering technologies with significant long-term potential.

Our growing intellectual property portfolio reflects years of targeted research and development, and our progress is steadily moving us closer to viable commercial outcomes. As we continue to refine and test our technologies, we are actively reducing technical risk. This puts us in a stronger position to create value for shareholders and build on the work we've already done. Heading into FY26, we're backed by a strong cash position that supports both continued innovation and strategic execution.

Looking forward, our efforts will remain directed towards identifying and pursuing commercial opportunities, particularly by engaging with global foundries and fabrication partners. We're committed to scaling our ¹²CQ and Biochip technologies in ways that support potential integration across a wide range of industries. The potential for broader application is significant, and we're excited to take the next steps in translating our core innovations into real-world impact.

Of course, none of this would be possible without our exceptional quantum and Biochip teams. Their talent and perseverance are what drive us forward. To our shareholders, thank you for your continued trust and belief in our mission to bring forward the technologies of tomorrow across computing, sensing, and medical diagnostics. Together, we're creating technologies that can redefine industries and shape the future.

A handwritten signature in black ink, appearing to read "English".

Greg English
Executive Chair

28 August 2025

- Over 850M people (>50% of global population) suffer from chronic kidney disease.
- More than US\$13B total addressable market within the US\$40B+ renal disease space.
- Kidney disease patients are at high risk of life threatening potassium imbalances (potassium regulates electrolytes).
- Potassium testing is lab-based, monthly, and too infrequent for timely intervention.
- Extendable to heart disease and treatment.
- Extendable to other ion sensing applications in medicine and agriculture.



Operations Review



Strategy

Archer is developing disruptive technologies with the potential to drive significant advancements in both the quantum and medical technology sectors.

In 2024/2025 the Company:

- Initiated a TMR sensor program targeting AI, automotive, and IoT markets, with prototypes already built and early market feedback confirming commercial potential.
- Successfully reached some of the milestones marked out on the path to a qubit demonstration at the end of the first half of 2026. These include elements of both control and readout functions: spin coupling to our carbon material that is the first step to control, Coulomb blockade which is the concept used to isolate single electrons (and their spin) for readout.
- Formed strategic partnerships with other companies in the medical diagnostic space to bolster successful development of our biosensor product: Paragraf and Hylid Diagnostics. Current work with them aims to improve sensor accuracy and integrate Biochips into disposable cartridge systems.
- Bolstered engineering efforts for the Biochip in Sydney by growing the team and have accelerated development.
- Identified a huge market opportunity in the diagnostic space for blood potassium monitoring at home for chronic kidney disease patients. Worked through initial market analysis and validation.
- Although focus is on a blood potassium monitoring device, we collected initial data on sensing of other ions to validate that we can build a sensing platform with devices in other areas of human health, industrial, and agricultural fields.

In 2025/26, Archer's growth involves:

- Archer will advance its technology to a stage where it can begin establishing commercialisation pathways through strategic agreements with top-tier industry partners.
- For the biochip this will be lab demonstration of accuracy requirements for blood potassium sensing at the end of 2025, working towards a prototype after that for use in clinical trials. In addition, we'll collect early feasibility data on the sensing of other ions to expand our portfolio of applications.
- For our quantum technology this will be a tangible demonstration of a carbon-based qubit by mid-2026.
- Identifying other technologies and devices that may be suitable for the Company's quantum technology.
- Protecting intellectual property (e.g., patents and international patent applications) with global competitive advantages that underpin the Company's technology.
- Growing the Company's intellectual property portfolio through the development and/or acquisition of new technologies.
- Continue to grow the team to accelerate engineering, build, and execute on commercialisation of the Company's technology. Factors and Risks affecting future performance are included on page 11.

» Operations Review

Summary of Financial Performance

The net loss of the Group for the year ended 30 June 2025 was \$6,972,006 (2024: \$4,803,150) and includes:

- Share based payments expense of \$1,889,842 representing the expense associated with unlisted option vesting during the year (2024: \$603,093) net of forfeitures.
- Direct expenditure on quantum and biochip technology research activities (including allocation of direct personnel costs) of \$4,791,577 (2024: \$4,524,190).
- Unrealised gains and losses associated with the fair value adjustment of Archer's share and option investments in:
 - Volatus Capital Corp (shares) as at 30 June 2025 a gain of \$64,148 (2024: loss of \$9,665); and
 - In January 2025 ChemX Materials Limited ("ChemX") appointed voluntary administrators. The Group has written down the fair value of its investment in ChemX to zero at 30 June 2025 recognising a loss of \$519,375 during the year (2024: loss of \$297,955).

The above expense items are offset by:

- An income amount of \$2,055,447, being the estimated research and development tax incentive receivable based on associated expenditure for the year ended 30 June 2025 (30 June 2024: \$2,135,936); and
- Interest income of \$743,288 (2024: \$941,147).

During the year ended 30 June 2025 the Group's net cash position (defined as cash and short term deposits) decreased by \$4,465,120 from \$18,209,820 (1 July 2024) to \$13,744,700 (30 June 2025), and 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 (\$4,850,786); and
- intellectual property assets and plant and equipment (\$206,892); and
- corporate, administration and wages (net of allocations to quantum and biochip technology research activities) expenditure (\$2,348,928).

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 2025 (\$206,892); and
- interest receipts (\$822,551).

Changes in Equity

Shares

The number of Archer ordinary shares ("Shares") on issue did not change during the year. At 30 June 2025 there were 254,847,013 Shares on issue (1 July 2024: 254,847,013).

Unlisted Options

The number of unlisted share options on issue decreased from 18,700,000 (1 July 2024) to 17,250,000 (30 June 2025) during the year as a result of the following events:

- 17,250,000 share options exercisable at \$0.534 each were granted on 20 November 2024 with an expiry date of 30 June 2028.
- 18,700,000 share options with an exercise price of \$1.79 and expiring on 31 May 2025, lapsed 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.



Risk Management

Risk management is fundamental to maximising the value of Archer's business and informing its strategic direction.

The Company's approach to risk management is governed by our risk management framework, as outlined in our risk management policy, and delivered through our system of risk management. Our risks are regularly assessed and managed at both a company-wide strategic level and at a tactical level for operations, project and function risks. Our risk assessment criteria consider the potential impact of a risk event on our business and people.

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 ¹²CQ 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.



Risk Management

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 or materially adversely affected if key personnel are not available to work.

Potential commercial viability of products

The ¹²CQ 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 has not yet commercialised any products and as yet has no revenues. 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.

Regulatory and Compliance Risk

For technologies in the medical and quantum fields, navigating complex and evolving regulatory environments is critical. Medical technologies, in particular, must meet strict safety, performance, and ethical standards before they can be sold or even tested in human trials. This includes approvals from regulatory bodies such as the Therapeutic Goods Administration (TGA) in Australia, the FDA in the United States, and relevant European agencies. Non-compliance or delays in obtaining approvals can stall product development and increase costs.

In the quantum sector, while regulation is less mature, increasing global attention on data security, cryptography, and dual-use technology may lead to new compliance challenges. Failure to meet these emerging regulatory obligations—or to anticipate them in the design and application of the technology—could limit market access or expose the company to fines and reputational damage.

Market Adoption Risk

Even if the Company successfully develops operational quantum or medical technologies, market acceptance is not guaranteed. Quantum computing is still an emerging field, and its applications are not yet fully integrated into mainstream commercial operations. Similarly, new medical diagnostic tools often face resistance from clinicians, health systems, or patients due to unfamiliarity, perceived complexity, or insufficient clinical validation.

If customers are hesitant to adopt new technologies, or if the Company fails to demonstrate clear benefits over incumbent solutions, the commercial potential of the product may be undermined. This risk is amplified in highly conservative or cost-sensitive sectors like healthcare, where new tools must not only work but also integrate seamlessly into existing systems and workflows.

Commercial partners

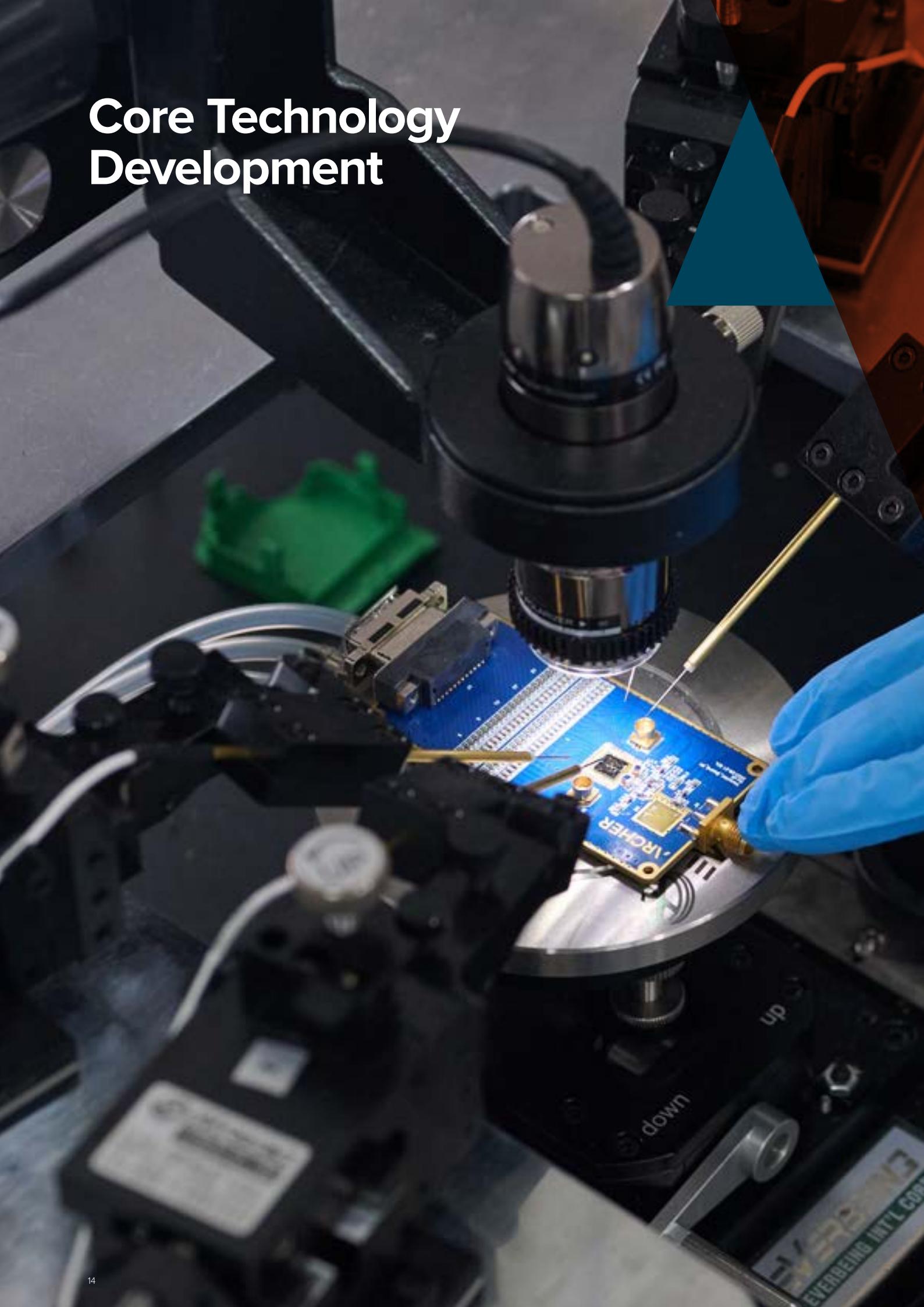
The Company's growth strategy may be impacted if it is unable to find suitable commercialisation partners. The Company's due diligence processes and commercial negotiations may not be successful and a commercial partnership may not eventuate or if finalised may not perform to the level expected.

Changes in economic conditions

General economic conditions, movements in financial markets, interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business and activities, as well as on its ability to fund those activities.



Core Technology Development



Archer is focused on the development and commercialisation of high-tech products relevant to quantum computing (its ¹²CQ project), sensing (its TMR sensor), and medical diagnostics (Biochip technology).



Quantum Technology ^{12}CQ Project

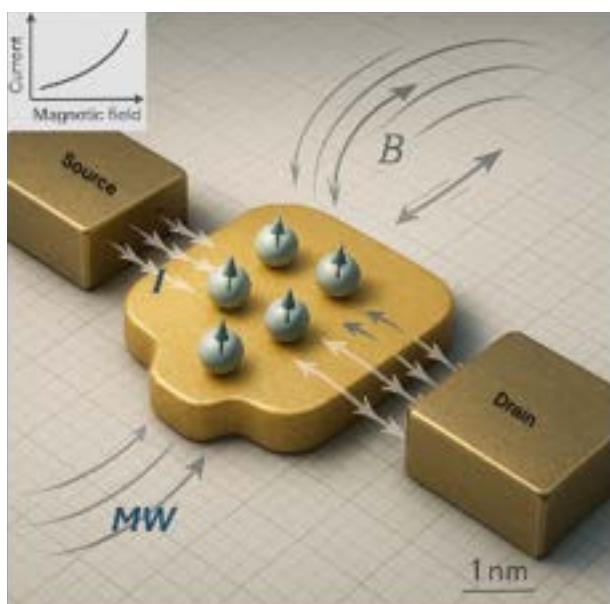
Quantum

Archer's primary focus in 2025 was its continued advancement of the ^{12}CQ quantum project. This initiative centered on the development of a room-temperature carbon-based qubit device, which has the potential to position Archer at the leading edge of quantum device innovation. Through both Archer's own research and development and through its partnerships, the Company has made significant steps towards demonstration of a qubit.

Archer reached a key milestone in the pursuit of qubit control by achieving strong coupling between the spin states of its proprietary carbon-based spin material and a superconducting resonator. This breakthrough was made possible through the design and fabrication of a new resonator circuit, which significantly improved coupling to electron spins in Archer's carbon material.

As a result, Archer can now look to demonstrate qubit spin control through delivery of microwave pulses via superconducting resonators. This precise qubit control is required for computation in a working quantum processor. The development complements earlier readout technologies and propels the project into its next phase, where Archer aims to demonstrate the feasibility of both input and output operations for its qubit devices.

Archer's international collaboration with Swiss-based École Polytechnique Fédérale de Lausanne (EPFL) yielded positive results in bolstering spin coherence lifetimes. Critical for scaling to a large, robust quantum computing chip. Archer successfully measured spin coherence lifetimes of its carbon nanosphere materials and its carbon film materials.



The carbon films produced via Archer's proprietary chemical vapour deposition method were found to possess superior spin characteristics when compared to previous carbon nano-onion-based materials. This supports the long-term objective of scalable manufacturing. Under optimised synthesis conditions, the Company achieved coherence lifetimes of around 800 nanoseconds through its carbon film materials, up from 385 nanoseconds, while also enhancing reproducibility across sample batches.

Archer also made further technical enhancements in the development of new device architectures through its partnership with Queen Mary University of London (QMUL). It did this by integrating graphene electrode technology into novel circuit layouts to demonstrate the Coulomb blockade phenomenon.

This development contributes to establishing a device to readout spins of single electrons in our qubits at ambient conditions, addressing one of the fundamental challenges in quantum computing scalability.

The company then expanded its collaboration with QMUL by entering into a six-month contract extension to support a new program of work focused on creating the foundational components for qubit readout and control, including the development of single-electron transistor (SET) devices to facilitate spin-state detection in electrical signals.

This phase builds on prior achievements, such as Archer's demonstration of single-electron isolation via the Coulomb blockade and spin-resonator coupling. The intellectual property (IP) resulting from this collaborative work remains with Archer, preserving the company's ability to commercialise future developments.

Left

Schematic illustration of an on-chip device using EDMR for qubit readout or magnetic sensing.

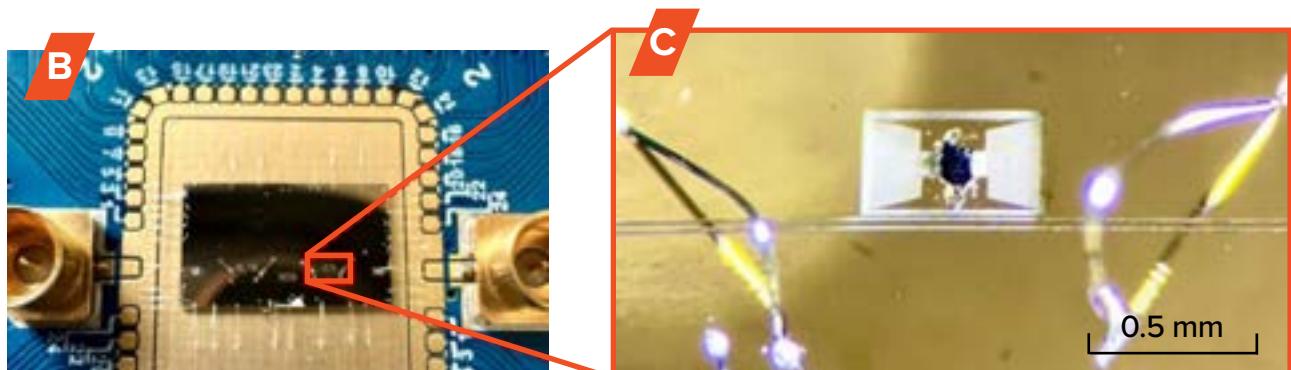
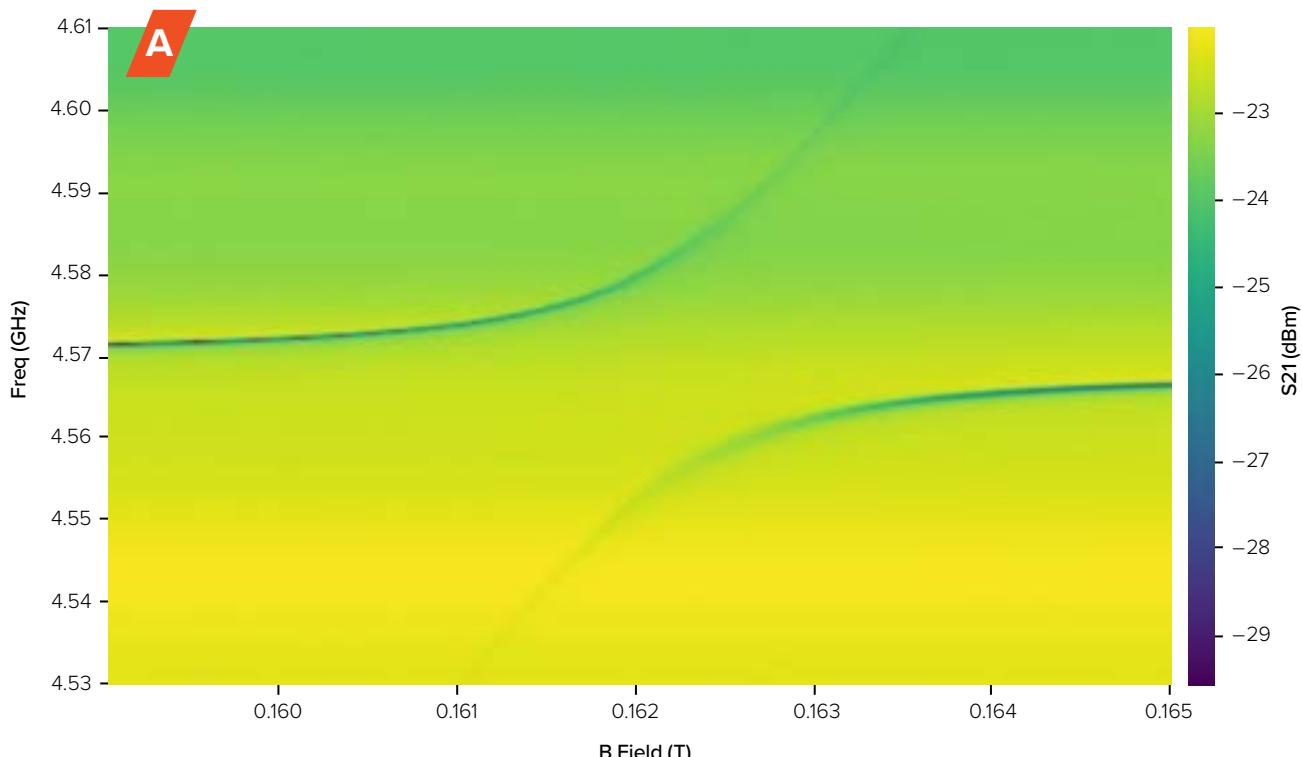


Image A

Microwave measurements demonstrating the 'avoided crossing' effect caused by a quantum mechanical phenomenon where the spin states of Archer's novel carbon spin material are hybridized with a resonator. This measurement is performed at a temperature of 30 millikelvin, which is below that at which the resonator becomes superconducting. The unprecedented clarity this phenomenon is seen is due to the attractive spin properties of Archer's carbon-based spin material, verifying the uniqueness and advantage of using this material for a broad range of quantum applications

Image B

The test resonator chip used for these microwave measurements.

Image C

The close-up image of one resonator with a small piece of Archer's carbon spin material placed over the spin sensing region of the chip.

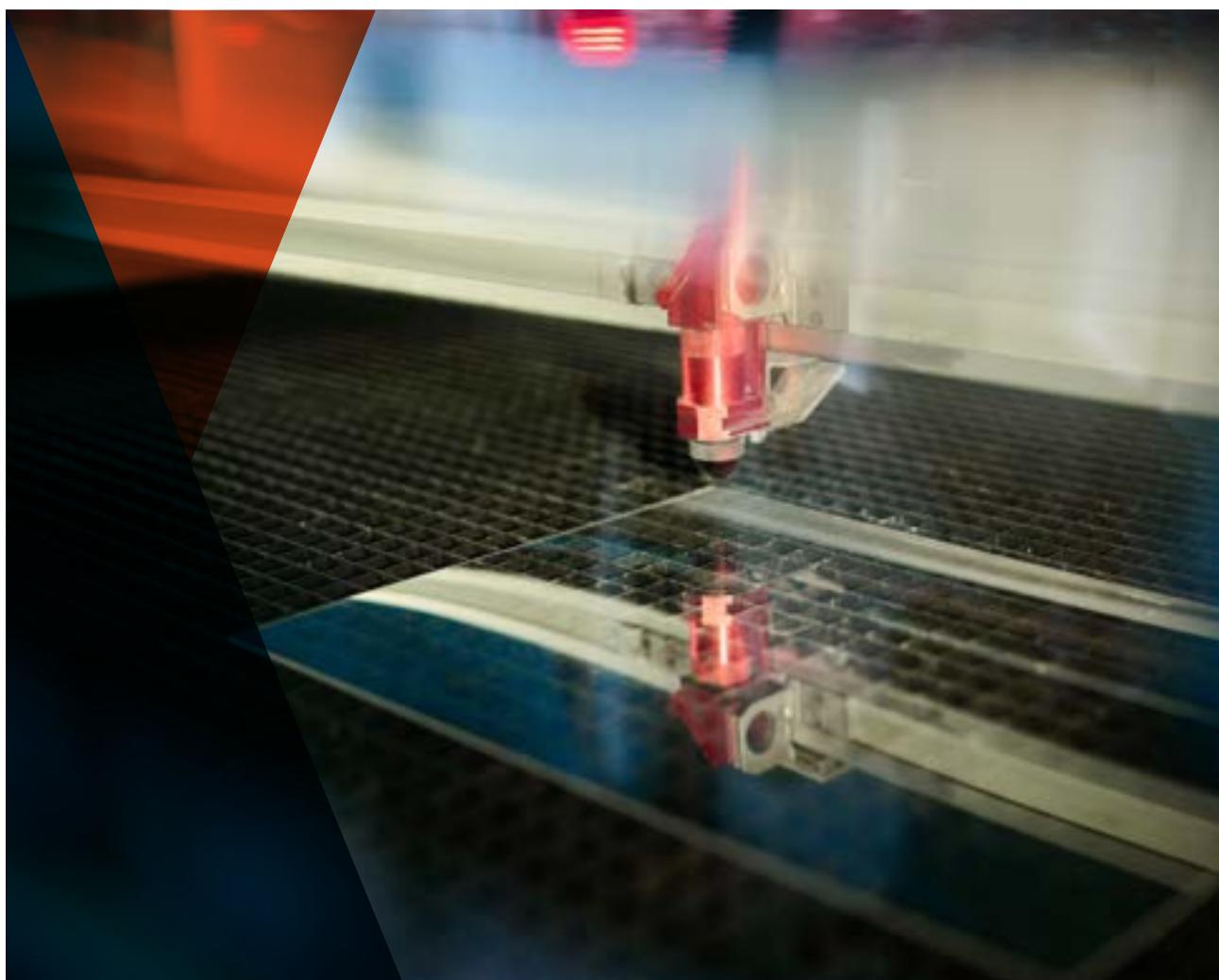
Quantum Technology ¹²CQ Project (cont.)

TMR sensors

Working in parallel with the quantum team, Archer launched its tunnelling magnetoresistance (TMR) sensor program to open potential nearer-term commercial opportunities. These sensors, which detect minor variations in magnetic fields via quantum effects, are thought to be well-suited for deployment in high-value sectors such as artificial intelligence, automotive systems, internet-of-things devices, and data centres.

Archer's TMR program focuses on identifying commercially attractive applications where the TMR sensor technology offers a performance advantage over traditional sensing technology using the team's quantum expertise. Strategic efforts have centred on building relationships with prospective customers and holding technical discussions to define product requirements, integration paths, and deployment scenarios.

Archer has already manufactured sensor prototypes through its foundry partner, MultiDimension Technology (MDT). Although formal collaboration agreements have not yet been executed, the company remains focused on identifying opportunities and potential customers with the aim of progressing toward customer-specific product development.



Bioelectronics

Biochip

During 2025, Archer advanced the development of its Biochip technology, including identifying and developing testing for blood potassium levels, for its first target of hypo- and hyperkalemia detection in chronic kidney disease (CKD) patients. The company is looking to create a portable, lab-quality biosensing device for the at-home testing and management of CKD. Archer made a series of technological and testing developments in order to pave the way towards the Biochip's commercialisation.

During the year, the Biochip team continued to test and optimise the electrical performance of graphene field effect transistor (gFET) devices, including long-term stability testing under ambient air conditions. The team validated a new approach that enables the direct growth of graphene on silicon wafers, eliminating prior issues associated with transferring graphene layers and thereby enhancing device consistency.

The team also developed a conditioning protocol that significantly improved test-to-test voltage repeatability by as much as 10 times, which directly impacts the accuracy of potassium measurements. This level of precision is critical to meet medical-grade requirements for real-time CKD monitoring.

Key to transforming a gFET into a blood potassium sensor is the functionalisation and post-processing of the gFETs. Archer has made several advances that allow accuracy requirements to be met, but also to improve robustness and lifetime of the devices: another key specification for such a medical device.

Archer has signed a six-month agreement with Paragraf Limited, a UK-based graphene electronics company, to improve the performance of its gFET sensors for blood potassium testing. This work complements the company's existing operations in Sydney and supports the refinement of sensor accuracy, fabrication reproducibility, and device qualification. One of the key outcomes of this work has been the reduction of on-chip device variability from 15% to just 1.5%, marking a critical improvement that will enable testing on human blood samples and preparation of a prototype cartridge system for at-home diagnostics.

To prepare the Biochip for clinical deployment, Archer entered a strategic partnership with Canadian company Hylid Diagnostics Inc. to co-develop an integrated potassium testing cartridge. Hylid, which focuses on lab-quality at-home diagnostics, will contribute haemolysis sensor technology and regulatory guidance, particularly for the North American and European markets.

The collaboration aims to meet strict accuracy thresholds for potassium detection and is expected to facilitate the launch of clinical trials in 2026.

Archer has secured a patent in the United States protecting the Biochip's biosensing technology, reflecting key developments in graphene complex compositions for molecular detection. This is a strategic step that defends the IP underpinning the Biochip platform, particularly in the US market, which is central to Archer's CKD diagnostic ambitions.

In support of the transition from lab prototypes to commercial feasibility, Archer commenced a new multi-project wafer (MPW) fabrication run with foundry partner VTT Technical Research Centre of Finland Ltd (VTT). This process integrates Archer's gFET biosensors with silicon complementary metal-oxide semiconductor (CMOS) readout circuitry, to allow electrical data from the biosensors to be accurately controlled and processed through standard circuitry on a chip.

The integration may improve the device's speed, reliability, and potential for real-world use in a handheld device.

Archer also strengthened the commercial readiness of the Biochip by miniaturising its gFET chip design from 10mm x 10mm to 1.5mm x 1.5mm, achieving a 97% reduction in area and enabling significantly higher chip yields, up to 1,375 chips per four-inch wafer compared to just 45 from previous designs.

These chips were fabricated by commercial foundry partner Applied Nanolayers and assembled by AOI Electronics, Archer's outsourced semiconductor assembly and test (OSAT) partner. The smaller design reduces per-unit cost has the potential to improve scalability for high-volume production.

Core Technology Development





Core Technology Development

Archer's technology patents and patents pending

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

Quantum technology

PRIORITY DATE & STAGE	TITLE & SUMMARY	
3 Dec 2015	A quantum electronic device	
Granted	Patent Office	Patent/Application Number
	Japan	6809670
	South Korea	10-2288974
	China	4606612
	United States of America	11,126,925
	Australia	2016363118
	Hong Kong	1256636
	Europe (designated countries): Belgium, Switzerland, Germany, Spain, France, United Kingdom, Republic of Ireland, Italy, Netherlands, Sweden, Turkey	3383792
9 Jun 2023	Electron spin containing materials and methods for producing said materials	
Pending	Patent Office	Patent/Application Number
	Australia	PCT/AU2024/050606
23 Dec 2022	Graphene field effect transistors and methods for their production (Methods for fabrication of graphene field-effect transistors and componentry)	
Pending	Patent Office	Patent/Application Number
	Australia	AU 2023407204
	Europe	EP 23904873.9
	USA	US 19/136,770
22 Mar 2024	On-chip detection and spin manipulation of advanced qubit materials and uses thereof	
Pending	Patent Office	Patent/Application Number
	PCT	PCT/AU2025/050282
31 May 2024	Fabrication of quantum devices with patterned films and uses thereof	
Pending	Patent Office	Patent/Application Number
	PCT	PCT/AU2025/050662
21 Jun 2024	On-chip detection and spin manipulation of advanced qubit materials and uses thereof	
Pending	Patent Office	Patent/Application Number
	Australia (provisional)	AU 20249011889
22 Mar 2024	An electron spin resonance spectroscopy system	
Pending	Patent Office	Patent/Application Number
	Australia	PCT/AU2025/050282

Biochip technology

PRIORITY DATE & STAGE	TITLE & SUMMARY	
15 Feb 2019	Graphene complexes and compositions thereof	
Status	Patent Office	Patent/Application Number
Pending	Australia	PCT/AU2020/050128
Granted	United States of America	US 12,202,730
1 Dec 2021	Detection and quantification of nucleic acids	
Pending	Patent Office	Patent/Application Number
	Australia	AU 2022401057
	China	CN 202280080331.3
	Europe	EP 22899651.8
	Japan	JP 2024-533095
	United States of America	US 18/715,693
	Hong Kong	HK 62025105832.2
31 Mar 2022	Fabrication and processing of graphene electron devices on silicon with a SiO ₂ passivation layer	
Pending	Patent Office	Patent/Application Number
	Australia	AU 2023242796
	Canada	CA 3246577
	China	CN 202380038942.6
	Europe	EP 23777508.5
	Japan	JP 2024-557938
	Korea	KR 10-2024-7036460
	United States of America	US 18/850,697
	Hong Kong	HK 62025107034.3
11 Nov 2022	A device, system, and method for sensing an electronic property of fluid sample	
Pending	Patent Office	Patent/Application Number
	Australia	AU 2023377817
	Europe	EP 23887211.3
	United States of America	US 19/127,333
10 Dec 2024	An improved sensing chip	
Pending	Patent Office	Patent/Application Number
	Australia (provisional)	AU 20249044086
1 Dec 2021	Detection and quantification of nucleic acids	
Pending	Patent Office	Patent/Application Number
	Australia	AU 2022401057
	China	CN 202280080331.3
	Europe	EP 22899651.8
	Japan	JP 2024-533095
	USA	US 18/715,693
	Hong Kong	HK 62025105832.2
23 Dec 2022	Methods for fabrication of graphene field effect transistors with a liquid top-gate and associated componentry	
Pending	Patent Office	Patent/Application Number
	Australia	AU 2023407204
	Europe	EP 23904873.9
	USA	US 19/136,770
21 Jun 2024	Graphene field effect transistors and methods for their production	
Pending	Patent Office	Patent/Application Number
	Australia	PCT/AU2025/050662

Directors' Report



The Operating and Financial Review (which includes the Chair's Message) of this Annual Report is incorporated by reference into, and can be found on pages 4 to 23 of this Annual Report.

Your Directors present this report on Archer Materials Limited and its consolidated entities ('Company', 'Group' or 'Archer'), for the year ended 30 June 2025.

Directors

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

Chief Executive Officer

- **Dr Simon Ruffell**
Appointed to the position of Chief Executive Officer on 27 March 2025
- **Dr Mohammad Choucair**
Resigned from the position of Chief Executive Officer with effect on 14 October 2024

Company Secretary

- **Jake van der Hoek**
Appointed as Company Secretary on 5 May 2025
- **Damien Connor**
Resigned from the position of Company Secretary with effect on 2 July 2025

Information on continuing Directors and Management

Directors

Greg English

(Executive Chair)

LLB, BE (Mining)

Greg 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.

He has more than 25 years of engineering and legal experience and has held senior roles for Australian and multinational companies. Greg has received recognition for his work as a lawyer. 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 \$0.534 and expiring on 30 June 2028

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.

His extensive experience in corporate finance includes diverse experience in mergers, acquisitions, divestments and corporate reconstructions. Ken was the Independent Chairman 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)

Interest in Shares and Options:

Nil Shares. 3,000,000 unlisted options, exercisable at \$0.534 and expiring on 30 June 2028

Special Responsibilities:

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

Directors

Bernadette Harkin

(Non-Executive Director)

B.Econ (HONS), MAppFin, FAICD

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 IBM, Avanade, and CGI.

Bernadette's experience covers continuously evolving technology areas including AI. 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 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. 3,000,000 unlisted options, exercisable at \$0.534 and expiring on 30 June 2028

Special Responsibilities:

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

Current Management

Dr Simon Ruffell

(Chief Executive Officer)

MEng (Electrical & Electronic Engineering) , PhD (Physics

Simon was appointed as the Company's CEO on 27 March 2025.

Simon has a PhD in Physics from the University of Western Ontario and a Masters of Electronic and Electrical Engineering (first class) from the University of Surrey, UK. He brings over 20 years of international experience working on technology projects and managing multifunctional teams, including hardware, process and software engineering teams.

Before joining Archer, Simon was a Principal Hardware Engineering Manager at Microsoft where he led a team developing hardware for Microsoft's quantum program. Prior to Microsoft he spent 10 years at Applied Materials (US) having roles in R&D from process engineer through to Senior Manager, where he led process and hardware teams to take a new product from R&D through productisation.

He has recently worked as Semiconductor, and Quantum Engagement Manager at the University of Sydney.

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

Nil

Interest in Shares and Options:

Nil Shares. 2,000,000 unlisted options, exercisable at \$0.534 and expiring on 30 June 2028

Former Management

Dr Mohammad Choucair

(Former Chief Executive Officer)

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

Dr Mohammad Choucair was appointed CEO of Archer in December 2017 and departed the Company effective 14 October 2024.

Damien Connor

(Former Chief Financial Officer / Company Secretary)

CA GAICD AGIA B.Com

Damien Connor was appointed Company Secretary and Chief Financial Officer on 1 August 2014 and resigned from Archer with effect on 2 July 2025.

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 2025, 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
Gregory English	13	13	6	6	3	3
Kenneth Williams	13	13	6	6	3	3
Bernadette Harkin	13	13	6	6	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 a 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.



Principal activities

Archer is a technology company with a focus on developing innovative deep tech in the semiconductor industry. The Group is developing and working towards commercialising semiconductor devices and sensors relevant to quantum computing, TMR sensors 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"), TMR sensor 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

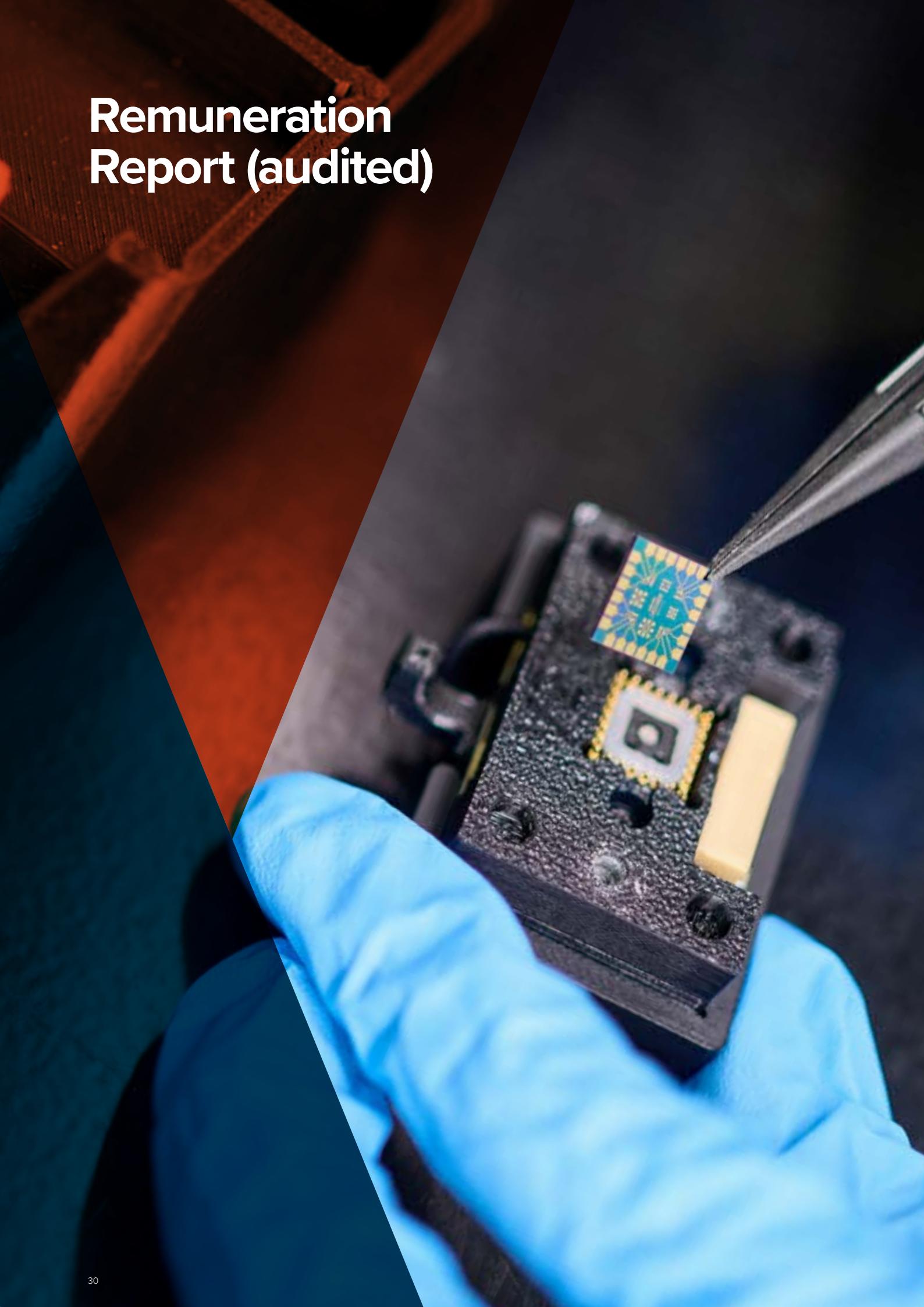
The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the year ended 30 June 2025, other than as disclosed in this report.

Events arising since the end of the reporting period.

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 future years (subject to the risks identified in page 11 of this report).



Remuneration Report (audited)





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

A. Who does this report cover?

This report sets out the remuneration arrangements for the Group's Key Management Personnel ('KMP'). The term KMP refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. Throughout the Remuneration Report, KMP are referred to as either Executive Officers or Non-Executive Directors.

The KMP of the Group comprises the Board of Directors and Executive Officers, which are set out below. As noted in Company announcements throughout the year, there were key changes to various KMP incumbents, given the rapid development of the quantum and biosensor technologies being developed by Archer. Start and end dates for various roles that commenced or ended during FY25 are noted for transparency.

The names and roles of the Company's KMP during the year are:

Non-Executive Directors

- Kenneth Williams - Non-Executive Director
- Bernadette Harkin – Non-Executive Director

Executive Officers

Current

- Greg English – Executive Chair
- Dr Simon Ruffell – Chief Executive Officer
(appointed 27 March 2025)

Former

- Dr Mohammad Choucair – Chief Executive Officer
(departed the Company effective 14 October 2024)
- Damien Connor - Chief Financial Officer & Company Secretary
(resignation effective 2 July 2025)

Remuneration Report (audited)

B. FY25 Overview

The Board recognises that the continued success of the business depends upon the quality of its people. To ensure the Company continues to innovate and grow, it must attract, motivate, develop and retain highly skilled Directors, Executive KMP and employees.

The Company's total rewards philosophy is designed to provide Executive KMP and employees with a strategic, purpose-driven approach designed to drive optimal business performance. It is delivered through a combination of financial (fixed and variable remuneration) and non-financial benefits, providing a holistic employee value proposition that connects the Archer strategy and purpose to individual remuneration and reward outcomes.

Over the past year, the Board and Executive KMP have made considerable progress in driving Company performance. While the Board recognises the benefits of continuity within the business and the success generated by that continuity, the Board have undertaken a program of renewal of the Executive KMP to recruit additional future focused capabilities and experience.

The following remuneration initiatives were implemented at a Board and Executive KMP level for FY25:

- Dr Simon Ruffell commenced as the CEO in March 2025 with a total fixed remuneration (TFR) of \$330,000 per annum, inclusive of statutory superannuation. Dr Ruffell's Short Term Incentive (STI) target was set at 15% of TFR. Dr Ruffell may be eligible to participate in any LTI arrangements operated or introduced by the Company from time to time. The TFR and STI targets have been pro-rated from Dr Ruffell's commencement date. Dr Ruffell's pro-rata outcomes are set out in section I of this report.
- Dr Choucair's departure from Archer was announced on 12 July 2024 with Dr Choucair's last day of work being 14 October 2024. Dr Choucair received his pro-rata portion of TFR and did not receive an STI for FY25. Dr Choucair's pro-rata outcomes are set out in section F of this report.

- Damien Connor resigned as company secretary and CFO with an effective date of 2 July 2025. Mr Connor was engaged under a management services agreement and was not entitled to receive a STI or LTI payment. Mr Connor's remuneration is set out in section F of this report.
- Jake van der Hoek of accounting and advisory firm HLB Mann Judd was appointed to the role of Company Secretary on 5 May 2025, with HLB Mann Judd performing the Company's CFO function following Mr Connor's resignation.
- At the Company's 2024 AGM, Archer shareholders approved the issue of a total of 11 million incentive share options to Directors. In addition, Dr Ruffell was issued 2 million incentive share options and Mr Connor was issued 2,000,000 incentive share options. The number of incentive share options issued to each Director and the terms of the incentive options are set out in section J of this report.

C. Remuneration governance and framework

Remuneration and Nomination Committee

In accordance with best practice corporate governance, the Board has established a Remuneration and Nomination Committee (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. The Board focuses 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.

Role of the Board and Remuneration and Nomination Committee

The Board of Directors is responsible for establishing and overseeing the implementation of the Group's remuneration policies and frameworks and ensuring that it is aligned with the objectives of shareholders and the business.

The Remuneration and Nomination Committee are responsible for the Group's remuneration structure and arrangements and makes recommendations to the Board

In particular, the Remuneration and Nomination Committee reviews and recommends to the Board:

- > Remuneration and arrangements for KMP and other employees.
- > Equity based remuneration plan for KMP and other employees.
- > Superannuation arrangements for KMP and other employees.
- > Incentive plans (including equity-based plans).
- > The Group's remuneration and incentive policies.

Use of remuneration consultants and other advisors

The Board and the Remuneration and Nomination Committee may seek and consider advice from independent remuneration consultants as required to ensure they have all the relevant information at their disposal to determine KMP remuneration and remuneration practices.

Remuneration consultant engagement is governed by internal protocols that set the parameters around the interaction between management and consultants to ensure recommendations were free from undue influence and ensure compliance with the Corporations Act 2001.

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

Voting and comments made at the Company's 2024 Annual General Meeting

The Company received 85.9% 'for' votes on its Remuneration Report for the financial year ending 30 June 2024. The Company received no specific feedback on its Remuneration Report at the 2024 Annual General Meeting.

Remuneration Report (audited)

D. Principles used to determine the nature and amount of remuneration

Remuneration Strategy

The Group seeks to attract and retain high-performing individuals, both in executive and other roles, and incentivise them to outperform. The approach to remuneration is to provide executives with a market-competitive Total Fixed Remuneration (TFR) and to reward outperformance through performance-linked, 'at-risk' remuneration.

The remuneration strategy illustrates the connections between remuneration and business strategies, as well as their influence on Archer's actual remuneration arrangements. The overriding business objective is to build value for all stakeholders (including shareholders).

The proportion of fixed and at-risk remuneration varies, depending on the role and grading of executives, as well as the performance of the Group. Senior positions have a more significant proportion of at-risk remuneration. The Archer Materials Incentive Plan governs the at-risk component of remuneration and comprises both Short Term Incentives (STI) and Long Term Incentives (LTI).

The Board's strategy for determining the nature and amount of remuneration for Board members and other Key Management Personnel of the Group is as follows:

- The remuneration strategy, which sets the terms and conditions for the Executive Chair, Chief Executive Officer, and Key Management Personnel, was developed by the Board. The Board annually reviews the packages of Key Management Personnel, referencing the Group's performance, the KMP's performance, and comparable information from industry sectors and other ASX listed peer companies.

- The Board may exercise discretion in relation to approving incentives, performance bonuses, options and performance rights. The strategy is designed to attract the highest-calibre individuals and reward them for performance that aligns with shareholder interests.
- KMP are also entitled to participate in the Company's Performance Rights and Share Option Plan (Incentive Plan) as approved by shareholders at the Annual General Meeting held on 29 November 2023.
- The Board strategy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required.

The objective of the Group's remuneration strategy is to ensure that reward for performance is competitive and appropriate for the results delivered. This aligns rewards with the achievement of objectives and the creation of value for shareholders, and it is considered to conform to market best practice for the delivery of rewards.

Following best practice corporate governance, the structure of KMP and Non-Executive Director remuneration is separate.

Key Management Personnel remuneration

KMP remuneration mixes and components

The Group's executive remuneration framework for FY25 is summarised below. It includes components of remuneration that are fixed and also structured in a manner to motivate executives to deliver sustained returns through short-term incentives.

TOTAL FIXED REMUNERATION (TFR)	SHORT TERM INCENTIVE (AT RISK)
Base salary plus superannuation and other benefits	Subject to performance targets for the reporting period. Maximum. 15% of TFR for Executive Chair and CEO
Influenced by job size, role requirements, market benchmarks, individual skills, qualifications, experience, and performance	Based on the achievement of set performance objectives, linked to business outcomes
Reviewed annually on a cycle aligned to the financial year	Performance generally measured over 12 months

Fixed remuneration

The KMP's fixed remuneration comprises base salary, employer superannuation contributions, and other benefits as the Group and the individual agree, provided that the Group incurs no extra cost for these benefits.

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee with reference to the Group's performance, the individual's performance against set objectives, and comparable information from industry sectors and other ASX listed peer companies.

In July 2024, the Board (with Mr English abstaining) approved a 2.4% increase in wages for Archer staff with effect from 1 July 2024. Except for increases in the statutory superannuation guarantee and subject to the non-concessional contributions cap, no additional changes to the fixed remuneration approach were implemented during the financial year.

Short term incentive (STI)

Variable performance-based remuneration strengthens the link between pay and performance. This scheme aims to make a large proportion of the total reward package subject to meeting various targets linked to Archer's business objectives.

The STI plan component is delivered in the form of a performance-based cash bonus if objectives for the financial year are achieved. The STI remuneration framework, which has a short-term focus over a 12-month performance period, utilises performance measures based on group targets related to safety, sustainability, project development, and financial strength. Additionally, the KMP had individual or role-specific targets, which were measured as part of their overall annual performance evaluations.

The STI opportunity offered to each executive KMP as a percentage of Total Fixed Remuneration is defined by the individual's role and reward grade. The STI opportunity is market benchmarked and reviewed annually by the Board and the Remuneration and Nomination Committee.

During the 2025 financial year, holistic performance objectives were adopted for KMP. The Board chose these objectives for their ability to drive executive focus on short- and medium-term business continuity and performance, related not only to technical success but also to Archer's culture and employee and investor engagement.

Long term incentive (LTI)

At the Company's 2024 AGM, Archer shareholders approved the issue of 5 million incentive share options to Mr English. In addition, the Board approved the issue of 2 million incentive share options to Dr Ruffell and Mr Connor was issued 2,000,000 incentive share options. The terms of the incentive options in section H of this report.

Appointment of Chief Executive Officer

After engaging an executive search firm and undertaking a thorough search, on 27 March 2025, the Company announced the appointment of Dr Simon Ruffell as the Company's new CEO. Simon Ruffell's remuneration was set to reflect benchmarking against Archer industry peers, the ASX peer group and to Dr Ruffell's considerable skills and experience.

The remuneration package for Dr Ruffell is described on page 39 of this report.

Executive KMP Termination Benefits

In July 2024, the Company announced that Dr Mohammad Choucair was stepping down from his role as Chief Executive Officer and leaving the business in January 2025.

In October 2024, the Company announced that Dr Choucair had departed the Company and ceased to be an Executive KMP effective 14 October 2024.

In accordance with Dr Choucair's employment agreement, a termination benefit of the remaining pro-rata portion of his six months remuneration, plus accrued leave entitlements, was paid to him in August 2024.

In accordance, with the terms of the Company's Incentive Plan rules, the 6,000,000 share options issued to Dr Choucair in December 2021 lapsed.

Remuneration Report (audited)

D. Principles used to determine the nature and amount of remuneration (cont.)

Employee Incentive Plan

The Archer Incentive Plan was approved by shareholders at the Annual General Meeting in November 2023. The number of eligible products able to be issued under the Incentive Plan is limited to 10% of the issued capital of the Company, for awards under the Plan in relation to which monetary consideration is payable.

The 10% limit includes grants under all plans made in the previous three years (with certain exclusions under the Corporations Act 2001).

There are no voting or dividend rights attached to the share options or performance rights.

Non-Executive Director remuneration

In remunerating Non-Executive Directors, the Group aims to attract and retain qualified and experienced directors, including:

- the specific responsibilities and requirements for the Board,
- comparative roles in the external market, and
- the size and complexity of the Group's operations.

The Non-Executive Directors and executives receive a superannuation guarantee contribution required by the government of 11.5% per annum (12.0 % from 1 July 2025). 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 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 the directors' interests with the shareholders interests, the directors are encouraged to hold shares in Archer.

At the Company's 2024 AGM, Archer shareholders approved the issue of 3 million incentive share options to Bernadette Harkin and 3 million incentive share options to Ken Williams. The terms of the incentive options in section H of this report

E. Planned remuneration changes for FY26

After careful consideration and the finalisation of a thorough review and benchmarking exercise, the Board has agreed to implement a Group-wide STI and LTI plan for all staff. The table below outlines the proposed remuneration framework for FY26, which aims to incentivise and retain staff as Archer's projects progress to the next stage of development and potential commercialisation. The FY26 remuneration framework applies to all KMP and staff at Archer.

The table below outlines the proposed remuneration framework for FY26, which aims to incentivise and retain

staff as Archer's projects progress to the next stage of development and potential commercialisation. The STI and LTI framework described below has already been implemented for all staff except the CEO and Executive Chair who will be entitled to participate in the STI and LTI plan after the 2025 AGM.

Staff fixed remuneration

In July 2025, the Board (with Mr English abstaining) approved a CPI increase in salary for Archer staff (including Mr English) with effect from 1 July 2025.

	SHORT TERM INCENTIVE (AT RISK)	LONG TERM INCENTIVE (AT RISK)
Purpose	Rewards KMP and staff for achieving current business targets and performance goals.	Encourages KMP and staff to achieve sustained performance and growth over the long term.
Comprised of	Cash payment	Performance Rights
Opportunity	Executive Chair: 25% TFR CEO: 25% TFR	Executive Chair: 35% TFR CEO: 30% TFR
Determined by	Total STI is adjusted to prioritise both Group and individual, role-specific performance. The new KPIs align with the Groups' strategic goals and ensure a balanced assessment of contributions. Clear targets will enhance accountability and drive success.	A combination of Relative Total Shareholder Return ("TSR") (weighted at 50%) and Absolute TSR (weighted at 50%) The inclusion of Relative TSR indicates a stronger focus on outperforming our peers, while Absolute TSR signals a more balanced approach to shareholder returns. Archer has also updated the selected peer group for the Relative TSR metric to include companies engaged in the same industry, ensuring a relevant and competitive benchmark.
Performance Period	12 months	3 years
Cessation of employment	For retention purposes, the Executive must remain an employee of the Company at the date that the STI bonus is paid. However, if an Executive's employment or consultancy with the Company is terminated before this time, the Board retains the discretion to award or forfeit any STI bonus on a case-by-case basis, considering longevity in the role and the reasons for leaving.	Where the employee becomes a bad leaver, all unvested Annual LTI Performance Rights will automatically be forfeited and lapse, subject to any determination otherwise by the Board in its sole and absolute discretion.
Clawback	The Board may, in its sole and absolute discretion, reclaim any paid STI bonus under the STIP. Where the person has: <ul style="list-style-type: none"> acted fraudulently or dishonestly; and/or wilfully breached his/her duties to the Company. 	The Board may, in its sole and absolute discretion, deem lapsed any unvested, or vested but unconverted or unexercised, Convertible Securities. Where the eligible employee has: <ul style="list-style-type: none"> acted fraudulently or dishonestly; and/or wilfully breached his/her duties to the Company.

Remuneration Report (audited)

F. Statutory remuneration disclosures

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. The value of earnings realised includes cash salary, superannuation and cash bonuses earned during the year, plus the intrinsic value of share options granted during the financial year.

As a general principle, the Accounting Standards require a value to be placed on share options based on probabilistic calculations at the time of grant, which may be reflected in the Remuneration Report even if ultimately the share options do not vest because performance or service hurdles are not met.

The following table shows details of the remuneration expense recognised for the Group's Executive KMP for the current and previous financial year measured in accordance with the requirements of the Accounting Standards.

Directors and other Key Management Personnel

Employee	Year	Short-term Employee Benefits			Post employment Benefits	Long-term benefits	Share Based Payments	Total \$	Performance based %
		Cash Salary & Fees \$	Cash Bonus \$	Annual leave \$					
Executive Director									
Mr English <i>Executive Chair</i> <i>Not independent</i>	2025	401,080	67,381	-	29,932	18,218	639,749	1,156,360	5.8%
	2024	371,690	62,166	-	40,886	-	463,358	938,100	6.6%
Non-Executive Directors									
Mr Williams <i>Independent</i>	2025	70,000	-	-	8,050	-	383,850	461,900	-%
	2024	70,000	-	-	7,700	-	139,007	216,707	-%
Ms Harkin <i>Independent</i>	2025	70,000	-	-	8,050	-	383,850	461,900	-%
	2024	70,000	-	-	7,700	-	139,007	216,707	-%
Other Key Management Personnel									
Dr Choucair <i>Chief Executive Officer</i>	2025	255,223	-	-	22,660	-	-	277,883	-%
	2024	336,923	16,500	-	38,960	-	556,030	948,413	1.9%
Dr Simon Ruffell <i>Chief Executive Officer</i>	2025	262,388	13,256	1,150	28,962	4,293	106,585	416,634	3.2%
	2024	-	-	-	-	-	-	-	-%
Mr Connor <i>Company Secretary & CFO</i>	2025	208,687	-	-	-	-	255,900	464,587	-%
	2024	237,563	-	-	-	-	139,007	376.570	-%
2025 Total	2025	1,267,378	80,637	1,150	97,654	22,511	1,769,934	3,239,264	
2024 Total	2024	1,086,176	78,666	-	95,246	-	1,436,409	2,696,497	

¹ In accordance with Accounting Standards, remuneration includes a portion of the notional value of the options granted during the year. The notional value of options are determined as at the 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 21.

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

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

G. 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>Total Fixed Remuneration (TFR): \$443,000 per annum inclusive of superannuation.^{1,2,3} In FY25 Mr English received TFR of \$431,012 per annum inclusive applicable superannuation.</p> <p>Short-term incentive: Discretionary up to 15% of TFR each year, is determined with reference to KPIs as set by the Board annually.</p> <p>Long-term incentive: 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 6 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>	Base remuneration: \$70,000 per annum plus superannuation. ¹	Director fees	No fixed term.	None
Bernadette Harkin <i>Non-Executive Director</i>	Base remuneration: \$70,000 per annum plus superannuation. ¹	Director fees	No fixed term.	None
Key Management Personnel				
Dr Simon Ruffell <i>Chief Executive Officer</i>	<p>Base Remuneration: \$332,000 per annum plus superannuation.¹</p> <p>Short-term incentive: Discretionary up to 25% of salary each year, is determined with reference to KPIs as set by the Board annually.</p> <p>Long-term incentive: 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.	Either party may terminate by providing 6 months' notice.
Damien Connor <i>Company Secretary/CFO</i>	Variable Services as required	Hourly rate contract	No fixed term.	Either party may terminate by providing 3 months' notice.

¹ Superannuation rate applicable to the year ended 30 June 2025 was 11.5% per annum. The superannuation rate increases to 12% per annum from 1 July 2025.

² From 1 July 2025, Mr English's superannuation contributions will be based on the superannuation guarantee levy rate prescribed by the Superannuation Guarantee Administration Act 1992 (Cth), being 12% per annum, up to the maximum superannuation contribution base (MSCB).

³ In July 2025, 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 (with Mr English abstaining) approved a 2.4% per annum increase to Mr English's TFR (with effect on and from 1 July 2025).

⁴ In July 2025, the Remuneration and Nomination Committee undertook a review of the long-term incentives of Mr English and Dr Ruffell. The proposed changes are outlined in section E "Planned Remuneration Changes for FY26"

⁵ Contract payments are made to Damien Connor Consulting Pty Ltd – an entity associated with Damien Connor. Mr Connor resigned 2 July 2025.

Remuneration Report (audited)

H. Share-based remuneration

Unlisted Options (Options)

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

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

Options granted to KMP during the reporting period

During the reporting period 15,000,000 Options, with an exercise price of \$0.534 each and expiring on 30 June 2028 were granted to KMP (30 June 2024: Nil).

Options to KMP exercised during the reporting period

No Options granted to KMP were exercised during the reporting period.

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

During the reporting period 6,000,000 Options, issued to KMP with an exercise price of \$1.79 each and expiring on 31 May 2025, lapsed in accordance with the terms of which they were issued.

During the reporting period 9,500,000 Options, issued to KMP with an exercise price of \$1.79 each and expiring on 31 May 2025, expired in accordance with the terms of which they were issued.

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 2025 (30 June 2024: Nil).

I. 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 (\$) (inclusive of superannuation)	Percentage vested during the year	Percentage forfeited during the year
Greg English ¹ <i>Executive Chair</i>	\$67,381 (inclusive of superannuation)	100%	-
Simon Ruffell ² <i>Chief Executive Officer</i>	\$13,256 (inclusive of superannuation)	100%	-

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

² Mr Ruffell'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. Mr Ruffell achieved 100% of his performance criteria during the financial year. The bonus was paid to Mr Ruffell on a pro rata basis to reflect his commencement date as CEO of 27 March 2025.

No other key management personnel were awarded short-term incentive cash bonuses as remuneration during the year ended 30 June 2025.

J. Other Information

Option Holdings of Key Management Personnel as at 30 June 2025

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 2024	Granted as Remuneration	Exercised	Forfeited/ Lapsed/ Expired/ Cancelled	Held at 30 June 2025	Vested and Exercisable at 30 June 2025
Mr English	5,000,000	5,000,000	-	(5,000,000)	5,000,000	5,000,000
Mr Williams	1,500,000	3,000,000	-	(1,500,000)	3,000,000	3,000,000
Ms Harkin	1,500,000	3,000,000	-	(1,500,000)	3,000,000	3,000,000
Dr Choucair	6,000,000	-	-	(6,000,000)	-	-
Mr Connor	1,500,000	2,000,000	-	(1,500,000)	2,000,000	2,000,000
Dr Ruffell	-	2,000,000	-	-	2,000,000	-
Total	15,500,000	15,000,000	-	(15,500,000)	15,000,000	13,000,000

Remuneration Report (audited)

J. Other Information (cont.)

Performance Rights Holdings of Key Management Personnel as at 30 June 2025

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 2025

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:

2025 Key Management Personnel	Held at 1 July 2024	Granted as Compensation	Options Exercised	Other Changes	Held at 30 June 2025
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
Total	16,308,610	-	-	(3,854,927)	12,453,683

Shareholdings held at resignation date are shown as "Other Changes".

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	2025 \$	2024 \$
Piper Alderman Lawyers	A business of which Greg English is a Consultant.	Legal advice	\$33,777	\$9,271
Damien Connor Consulting Pty Ltd	A business of which Damien Connor is a Director.	Finance/ Co. Secretary consulting fees.	\$208,687	\$237,563

End of Audited Remuneration Report

Unissued Shares Under Option

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

Issued to	Issue Date	Grant Date	Number of Options Granted	Option Exercise Price	Expiry Date
Directors ¹	20/11/2024	20/11/2024	11,000,000	\$0.534	30/06/2028
CEO ¹	20/11/2024	20/11/2024	2,000,000	\$0.534	30/06/2028
Company Secretary ¹	20/11/2024	20/11/2024	2,000,000	\$0.534	30/06/2028
Other Employees	20/11/2024	20/11/2024	2,250,000	\$0.534	30/06/2028
17,250,000					

¹ 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 21 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 2025.

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 7 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 2025 is dated 28 August 2025 and was approved by the Board on 28th August 2025.

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

Auditor's Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 45 and forms part of the director's report for the financial year ended 30 June 2025.

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



Greg English

Chair

Dated this 28th day of August 2025



Grant Thornton

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Archer Materials Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Archer Materials Limited (the Company) and of the group companies (the Group) for the year ended June 30, 2025, 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

JL Humphrey
Partner – Audit & Assurance

Adelaide, 28 August 2025

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Financial Information





ARCHER

Financial Information

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2025

	Notes	CONSOLIDATED GROUP	
		2025 \$	2024 \$
INCOME			
Research and development tax concession		2,055,447	2,135,936
Interest income	4	743,288	941,147
TOTAL INCOME		2,798,735	3,077,083
EXPENSES			
Depreciation expense		(133,445)	(154,523)
Amortisation of intangible assets	13	(40,419)	(27,171)
Quantum and biochip technology research expenditure		(4,791,577)	(4,524,190)
Employee benefits expense		(1,393,439)	(1,257,843)
Share based payments expense	21	(1,889,842)	(603,093)
Fair value loss on financial assets	11	(455,227)	(307,620)
Corporate consultants and public relations expense		(474,507)	(459,321)
ASX listing and share registry expense		(147,014)	(145,610)
Other expenses		(445,271)	(400,862)
Total expenses		(9,770,741)	(7,880,233)
LOSS BEFORE INCOME TAX EXPENSE		(6,972,006)	(4,803,150)
Income tax expense	5	-	-
LOSS AFTER INCOME TAX EXPENSE FOR THE YEAR		(6,972,006)	(4,803,150)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(6,972,006)	(4,803,150)
		Cents	Cents
Basic earnings per share	19	(2.74)	(1.88)
Diluted earnings per share	19	(2.74)	(1.88)

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

Statement of financial position As at 30 June 2025

	Notes	CONSOLIDATED GROUP		
		2025 \$	2024 \$	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	8	2,661,950	2,838,675	
Term deposits - short term	9	11,082,750	15,371,145	
Trade and other receivables	10	2,375,647	2,575,930	
Other financial assets	11	73,100	567,259	
Prepayments		475,960	761,236	
TOTAL CURRENT ASSETS		16,669,407	22,114,245	
NON-CURRENT ASSETS				
Intangible assets	13	669,227	502,754	
Property, plant and equipment		116,571	163,931	
Right of use assets	14	14,973	109,309	
TOTAL NON-CURRENT ASSETS		800,771	775,994	
TOTAL ASSETS		17,470,178	22,890,239	
CURRENT LIABILITIES				
Trade and other payables	15	408,323	614,090	
Lease liabilities	16	14,974	94,335	
Employee entitlements	17	290,846	342,237	
TOTAL CURRENT LIABILITIES		714,143	1,050,662	
NON-CURRENT LIABILITIES				
Lease liabilities	16	-	14,974	
Employee entitlements	17	38,019	24,423	
TOTAL NON-CURRENT LIABILITIES		38,019	39,397	
TOTAL LIABILITIES		752,162	1,090,059	
NET ASSETS		16,718,016	21,800,180	
EQUITY				
Issued capital	18	47,799,119	47,799,119	
Reserves	20	1,889,842	14,219,548	
Accumulated losses		(32,970,945)	(40,218,487)	
TOTAL EQUITY		16,718,016	21,800,180	

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

Financial Information

Statement of changes in equity For the year ended 30 June 2025

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated losses \$	Total equity \$
BALANCE AT 1 JULY 2023	47,799,119	15,371,834	(37,170,716)	26,000,237
Loss after income tax expense for the year	-	-	(4,803,150)	(4,803,150)
Other comprehensive income for the year, net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(4,803,150)	(4,803,150)
Transactions with owners in their capacity as owners:				
Expense associated with unlisted option vesting during the period (note 21)	-	603,093	-	603,093
Transfer of lapsed or exercised share-based payments to retained earnings	-	(1,755,379)	1,755,379	-
BALANCE AT 30 JUNE 2024	47,799,119	14,219,548	(40,218,487)	21,800,180

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated losses \$	Total equity \$
BALANCE AT 1 JULY 2024	47,799,119	14,219,548	(40,218,487)	21,800,180
Loss after income tax expense for the year	-	-	(6,972,006)	(6,972,006)
Other comprehensive income for the year, net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(6,972,006)	(6,972,006)
Transactions with owners in their capacity as owners:				
Expense associated with unlisted option vesting during the period (note 21)	-	1,889,842	-	1,889,842
Transfer of lapsed share-based payments to retained earnings	-	(14,219,548)	14,219,548	-
BALANCE AT 30 JUNE 2025	47,799,119	1,889,842	(32,970,945)	16,718,016

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

Statement of cash flows For the year ended 30 June 2025

	Notes	CONSOLIDATED GROUP	
		2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,348,928)	(2,825,325)
Payments for quantum and biochip technology research activities		(4,850,786)	(4,524,190)
Interest received		822,551	1,098,763
Research and development tax concession received		2,189,556	1,455,936
NET CASH USED IN OPERATING ACTIVITIES	22	(4,187,607)	(4,794,816)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from redemption of short term deposits		4,288,395	7,174,000
Payments for intellectual property	13	(206,892)	(80,642)
Payments for property, plant and equipment		(6,286)	(116,365)
Proceeds from sale of property, plant and equipment		8,636	-
Proceeds from sale of financial assets		38,932	-
Payments for bonds		(15,605)	-
NET CASH FROM INVESTING ACTIVITIES		4,107,180	6,976,993
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(96,298)	(115,819)
NET CASH USED IN FINANCING ACTIVITIES		(96,298)	(115,819)
Net increase/(decrease) in cash and cash equivalents		(176,725)	2,066,358
Cash and cash equivalents at the beginning of the financial year		2,838,675	772,317
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	2,661,950	2,838,675

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

Financial Information

Notes to the financial statements 30 June 2025

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 cost modified, where applicable, by the measurement of selected non-current assets, financial assets and financial liabilities.

The principal accounting policies adopted in the above 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 12 to the financial statements.

As at reporting date, the assets and liabilities of 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 right at the end of the reporting period 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 with original maturities of three months or less 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, 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

NOTE 1 – STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

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 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 indefinite useful lives are not amortised, but are tested for impairment annually either individually 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) 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 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
- > How the asset will generate future economic benefits
- > The availability of resources to complete the asset
- > The ability to measure reliably the expenditure during development

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

Patents and licences

The Group 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 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 which is expensed. 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:

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year 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.

Financial Information

Notes to the financial statements 30 June 2025

NOTE 1 – STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a 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 a lease (i.e., the date the underlying asset is available for use). The right-of-use asset is 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 the 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 payments (eg. changes to future payments resulting from a change in an index or a rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTE 1 – STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)**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 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 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 rate (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 a 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;
- > 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 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.

Financial Information

Notes to the financial statements 30 June 2025

NOTE 1 – STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

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.

i) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Derecognition

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

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to 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 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 settle the carrying amount of the related asset 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.

NOTE 1 – STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

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 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 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 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 associated 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 the acquisition of the asset or as part 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 components of investing or 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.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Archer Materials Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Archer Materials Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Financial Information

Notes to the financial statements 30 June 2025

NOTE 2 – 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 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 interpretation 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 2025 by the Board of Directors.

NOTE 3 – OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 - Operating segments and 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 4 – OTHER INCOME

	30 JUNE 2025 \$	30 JUNE 2024 \$
Interest income	743,288	941,147

NOTE 5 – INCOME TAX

	30 JUNE 2024 \$	30 JUNE 2023 \$
a) The components of income tax benefit comprise:		
Current tax	-	-
b) The <i>prima facie</i> tax on loss from before income tax is reconciled to the income tax as follows:	-	-
30% (2024: 30%):	-	-
Loss before income tax expense	(6,972,006)	(4,803,150)
Tax at the statutory tax rate of 30%	(2,091,602)	(1,440,945)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
(Non-assessable income) / Non-deductible expenses	1,184,891	(386,100)
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	906,711	1,827,045
Income tax attributable to loss	-	-
<i>Tax losses not recognised</i>		
c) Unused tax losses for which no deferred tax asset has been recognised	10,755,833	8,062,817
d) Timing difference for which no deferred tax asset / (liability) has been recognised	276,686	69,540

Financial Information

Notes to the financial statements 30 June 2025

NOTE 6 – 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 (resigned 14 October 2024)
Mr Simon Ruffell	Chief Executive Officer (appointed 27 March 2025, previously Chief Technology Officer)
Mr Damien Connor	Chief Financial Officer & Company Secretary (resigned 2 July 2025)

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.

	30 JUNE 2025	30 JUNE 2024
	\$	\$
Short term benefits	1,349,165	1,164,842
Post-employment benefit (superannuation)	97,654	95,246
Long term benefits	22,511	-
Share - based payments	1,769,934	1,436,409
	3,239,264	2,696,497

NOTE 7 – AUDITOR REMUNERATION

30 JUNE 2025	30 JUNE 2024
\$	\$

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	75,430	62,000
---------------------------------------	--------	--------

No non audit services were provided.

NOTE 8 – CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

30 JUNE 2025	30 JUNE 2024
\$	\$

Current assets

Cash at bank and on hand	2,661,950	2,838,675
--------------------------	-----------	-----------

NOTE 9 – TERM DEPOSITS - SHORT TERM

30 JUNE 2025	30 JUNE 2024
\$	\$

Current assets

Term deposits - short term	11,082,750	15,371,145
----------------------------	------------	------------

NOTE 9 – TERM DEPOSITS - SHORT TERM (continued)

For the year ended 30 June 2025, 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 2025. The weighted average interest rate on the short term deposit is 5.0%. 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 25.

NOTE 10 – TRADE AND OTHER RECEIVABLES	30 JUNE 2025	30 JUNE 2024
	\$	\$
Current assets		
Research and development tax incentive receivable	1,995,891	2,130,000
Accrued interest receivable - short term deposits	293,373	372,636
Other receivables	86,383	73,294
	2,375,647	2,575,930

NOTE 11 – OTHER FINANCIAL ASSETS	30 JUNE 2025	30 JUNE 2024
	\$	\$
Current assets		
Listed Investment in Volatus Capital Corp ("Volatus") - shares	73,100	8,952
Listed Investment in ChemX Materials Ltd ("ChemX") - shares	-	555,414
Listed Investment in ChemX Materials Ltd ("ChemX") - options	-	2,893
	73,100	567,259
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	567,259	874,879
Disposals - consideration for sale of listed shares in ChemX	(38,932)	-
Net fair value loss	(455,227)	(307,620)
Closing fair value	73,100	567,259

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

ChemX Materials Limited

ChemX Materials Limited (ASX: CMX) was suspended from official quotation on ASX on 16 December 2024 and remained in suspension at 30 June 2025. On 2 January 2025, CMX announced that it had appointed voluntary administrators, as disclosed in their ASX release dated the same day. As at 30 June 2025 Archer Materials Limited holds 10,397,806 fully paid ordinary shares and 2,892,780 listed options in CMX. The Company has written down the fair value of its investment in CMX to zero at 30 June 2025.

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).

Financial Information

Notes to the financial statements 30 June 2025

NOTE 12 – INVESTMENT IN CONTROLLED ENTITIES	Country of Incorporation	PERCENTAGE OWNED	
		2025 %	2024 %
Subsidiaries of Archer Materials Limited:			
Carbon Allotropes Pty Limited	Australia	100%	100%
Archer Energy and Resources Pty Ltd	Australia	100%	100%
Archer Metals Pty Ltd	Australia	100%	100%
Archer IOCG Pty Ltd	Australia	100%	100%

NOTE 13 – INTANGIBLES ASSETS		30 JUNE	30 JUNE
		2025	2024
		\$	\$
Non-current assets			
Patents, licences and trademarks - at cost		781,095	574,204
Less: Accumulated amortisation		(111,868)	(71,450)
		669,227	502,754
Reconciliation Reconciliations of the written down values at the beginning and end of the current financial year are set out below:		Patents, licences and trade-marks \$	
Balance at 1 July 2024			502,754
Additions			206,892
Amortisation expense			(40,419)
Balance at 30 June 2025			669,227

NOTE 14 – RIGHT-OF-USE ASSETS		30 JUNE	30 JUNE
		2025	2024
		\$	\$
Non-current assets			
Land and buildings - right-of-use		216,031	247,837
Less: Accumulated depreciation		(201,058)	(138,528)
		14,973	109,309
Reconciliation Reconciliations of the written down values at the beginning and end of the current financial year are set out below:		Land and buildings \$	
Balance at 1 July 2024			109,309
Depreciation expense			(94,336)
Balance at 30 June 2025			14,973

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 ended 31 December 2024. The group has not entered into a new lease contract for Sydney premises and is currently renting office space on a short term basis. No right of use asset or lease liability has been recognised for the new Sydney office space.

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

NOTE 15 – TRADE AND OTHER PAYABLES

 30 JUNE
 2025 30 JUNE
 \$ 2024
 \$
Current liabilities

Trade payables	228,938	307,393
Other creditors and accruals	179,385	306,697
	408,323	614,090

NOTE 16 – LEASE LIABILITIES

 30 JUNE
 2025 30 JUNE
 \$ 2024
 \$
Current liabilities

Lease liability	14,974	94,335
Non-current liabilities		
Lease liability	-	14,974

14,974 109,309

NOTE 17 – EMPLOYEE ENTITLEMENTS

 30 JUNE
 2025 30 JUNE
 \$ 2024
 \$
Current liabilities

Annual leave and other employee provisions	290,846	342,237
Non-current liabilities		
Long service leave	38,019	24,423

328,865 366,660

NOTE 18 – ISSUED CAPITAL
a) Shares on issue

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	254,847,013	254,847,013	47,799,119	47,799,119

Movements in ordinary share capital

There is no movement in issued capital for the year.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Financial Information

Notes to the financial statements 30 June 2025

NOTE 18 – ISSUED CAPITAL (continued)

b) Options on issue

All options on issue are unlisted 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 2025	Balance at 30 June 2024
Directors, CEO & Other Employees	02/12/2021	24/11/2021	24,050,000	\$1.790	31/03/2025	-	18,700,000
Directors, CEO & other employees	20/11/2024	20/11/2024	17,250,000	\$0.534	30/06/2028	17,250,000	-
41,300,000						17,250,000	18,700,000

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

On 20 November 2024, 17,250,000 unlisted share options were issued to key management personnel and other employees following shareholder approval at the company's Annual General Meeting held on 20 November 2024. The Options with an exercise price of \$0.534 and expiring 30 June 2028.

The Options were granted at no cost to the recipient and vest as follows:

- > 13,000,000 Options issued to Directors and the Company Secretary vested on 1 January 2025; and
- > 4,250,000 Options issued to other employees vest 50% on 1 January 2026 and 50% on 1 January 2027

Options exercised during the year

No options were exercised during the year.

Options lapsed/forfeited during the year

18,700,000 unlisted share options with an exercise price of \$1.79 and expiring on 31 May 2025, lapsed in accordance with the terms of which they were issued.

c) Performance rights on issue

There were no performance 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 19 – LOSS PER SHARE

	30 JUNE 2025 \$	30 JUNE 2024 \$
--	-----------------------	-----------------------

Earnings per share for loss from continuing operations

Loss after income tax	(6,972,006)	(4,803,150)
-----------------------	-------------	-------------

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	254,847,013	254,847,013
Weighted average number of ordinary shares used in calculating diluted earnings per share	254,847,013	254,847,013

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.

	Cents	Cents
Basic earnings per share	(2.74)	(1.88)
Diluted earnings per share	(2.74)	(1.88)

NOTE 20 – RESERVES

	30 JUNE 2025 \$	30 JUNE 2024 \$
Share-based payments reserve	1,889,842	14,219,548

Movements in reserves

Movements associated with Options during the year:

	Share based payments reserve \$
Balance at 1 July 2024	14,219,548
Granted - expense associated with vesting during the year	1,889,842
Lapsed	(14,219,548)
Balance at 30 June 2025	1,889,842

The share-based payments reserve records items recognised as an expense on the valuation of Options or Rights.

Refer to note 21 for further details regarding the movement in Options issued during the reporting period.

Financial Information

Notes to the financial statements 30 June 2025

NOTE 21 – SHARE BASED PAYMENTS

Unlisted options 30 June 2025

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

	Number of options 2025	Weighted average exercise price 2025
Outstanding at the beginning of the financial year	18,700,000	\$1.790
Granted	17,250,000	\$0.534
Lapsed/expired	(18,700,000)	\$1.790
Outstanding at the end of the financial year	17,250,000	\$0.534
Exercisable at the end of the financial year	13,000,000	\$0.534

The weighted average remaining contractual life of Options at 30 June 2025 is 3 years.

During the year, an amount of \$14,219,548 was transferred to retained losses, relating to prior period share-based payments associated with previously issued Options that had vested and were lapsed or expired during the year.

During the year an amount of \$1,889,842 was recorded to the Statement of Profit or Loss and Other Comprehensive Income under 'share based payments expense' (30 June 2024: \$603,093), associated with:

- > 13,000,000 options issued to directors and the company secretary vested on 1 January 2025; and
- > 4,250,000 options issued to other employees vest 50% on 1 January 2026 and 50% on 1 January 2027.

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

	Director and employee options
Share price at the date of grant	\$0.310
Historic volatility	72.70%
Risk free interest rate	4.077%
Expected life of options	1,318 days

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

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

Options exercised during the year

No options were exercised during the year.

Options lapsed/forfeited during the year

6,000,000 unlisted share options with an exercise price of \$1.79 and expiring on 31 May 2025, were forfeited in accordance with the terms of which they were issued. 12,700,000 unlisted share options with an exercise price of \$1.79 and expiring on 31 May 2025, lapsed in accordance with the terms of which they were issued.

Performance rights on issue

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

NOTE 22 – CASH FLOW INFORMATION

a) Reconciliation of cash flows from operations with loss after income tax	30 JUNE 2025 \$	30 JUNE 2024 \$
Loss after income tax	(6,972,006)	(4,803,150)
Adjustments for:		
Amortisation of intangibles	40,417	27,171
Depreciation and amortisation	133,445	154,523
Fair value movement on financial assets (note 11)	455,227	307,620
Share-based payments	1,889,842	1,874,385
Wire-back of share-based payment expense - forfeited options	-	(1,271,291)
Write off of property, plant and equipment	18,350	-
Net gain on disposal of property, plant and equipment	(8,636)	-
Other non cash adjustment	2,635	-
Changes in assets and liabilities:		
- Decrease in trade and other receivables	215,889	(767,275)
- Decrease in prepayments	285,276	-
- Decrease in trade and other payables	(210,253)	(269,608)
- Decrease in employee entitlements	(37,793)	(47,191)
Net cash used in operating activities	(4,187,607)	(4,794,816)

b) Non-Cash Financing and Investing Activities

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

Financial Information

Notes to the financial statements 30 June 2025

NOTE 23 – 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.

As noted previously, ChemX Materials Limited (ASX: CMX) was suspended from official quotation on ASX on 16 December 2024 and remained in suspension at 30 June 2025. On 2 January 2025, ChemX Materials Limited (ASX: CMX) announced that it had appointed voluntary administrators, as disclosed in their ASX release dated the same day. The appointment of administrators to CMX may impact Archer's potential entitlement to a Net Smelter Return royalty. The future operations of CMX remain uncertain and Archer's potential future entitlement to a Net Smelter Return royalty will depend on the outcome of the administrative process.

Leigh Creek Project bonus payment

In August 2020, Archer 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 (whose name changed to Mineral Road Discovery Inc in September 2024) (“Crest”) announced that it had entered into a Letter of Intent to acquire 69.5% interest in Witchimag and, in May 2024, announced that it had negotiated to purchase 100% of the Leigh Creek Magnesite Project. Archer has received legal advice that it may be entitled to a bonus payment up to C\$150,000. However, this position has been denied by the counterparts and Archer is considering its options.

The Group did not have any further contingent assets or liabilities as at 30 June 2025.

NOTE 24 – RELATED PARTY TRANSACTIONS

Parent entity

Archer Materials Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 12.

Transactions with related parties

Piper Alderman lawyers were paid a total of \$33,777 (2024: \$9,271) for legal services rendered to the Group. Mr English is a Consultant at Piper Alderman Lawyers.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 25 – 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 2025, 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:

	30 JUNE 2025 \$	30 JUNE 2024 \$
Change in loss		
- Increase in interest rates by 2%	274,894	307,423
- Decrease in interest rates by 2%	(274,894)	(307,423)
Change in equity		
- Increase in interest rates by 2%	274,894	307,423
- Decrease in interest rates by 2%	(274,894)	(307,423)

d) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalent and non-interest 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.

Financial Information

Notes to the financial statements 30 June 2025

NOTE 25 – FINANCIAL INSTRUMENTS (continued)

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	Remaining contractual maturities
2025	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables		408,323	-	-	-	408,323
<i>Interest-bearing - variable</i>						
Lease liability	4.10%	14,974	-	-	-	14,974
Total non-derivatives		423,297	-	-	-	423,297

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2024	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables		614,090	-	-	-	614,090
<i>Interest-bearing - variable</i>						
Lease liability	4.10%	94,335	14,974	-	-	109,309
Total non-derivatives		708,425	14,974	-	-	723,399

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.

NOTE 26 – ARCHER MATERIALS LIMITED PARENT COMPANY INFORMATION

30 JUNE 2025	30 JUNE 2024
\$	\$

ASSETS

Current assets	16,595,007	21,545,461
Other financial assets	73,100	567,259
Investments in subsidiaries	1,299	1,524
Other Non-current assets	800,772	775,995
TOTAL ASSETS	17,470,178	22,890,239

LIABILITIES

Current liabilities	714,145	1,050,662
Non-current liabilities	38,019	39,397
TOTAL LIABILITIES	752,164	1,090,059

EQUITY

Issued capital	47,799,119	47,799,119
Share based payments reserve	1,889,842	14,219,548
Retained losses	(32,970,945)	(40,218,487)
TOTAL EQUITY	16,718,016	21,800,180

FINANCIAL PERFORMANCE

Loss for the year	(6,971,783)	(4,802,703)
Other comprehensive income	-	-
TOTAL LOSS	(6,971,783)	(4,802,703)

Guarantees in 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 to note 23 for details of contingent assets, liabilities and commitments as at 30 June 2025.

NOTE 27 – EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Consolidated Entity Disclosure Statement

As at 30 June 2025

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	Entity Type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Archer Materials Limited	Body Corporate	Australia	-	Australian
Carbon Allotropes Pty Ltd	Body Corporate	Australia	100.00%	Australian
Archer Energy and Resources Pty Ltd	Body Corporate	Australia	100.00%	Australian
Archer Metals Pty Ltd	Body Corporate	Australia	100.00%	Australian
Archer IOCG Pty Ltd	Body Corporate	Australia	100.00%	Australian

Director's Declaration

As at 30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Greg English

Executive Chair

28 August 2025

Independent Auditor's Report





Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Independent Auditor's Report

To the Members of Archer Materials Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Archer Materials Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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 2025 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Independent Auditor's Report

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
Recognition of research and development tax incentive – Notes 1 & 10 The Group receives a research and development (R&D) refundable tax offset from the Australian government, which, for entities whose turnover is less than \$20 million per annum, represents 48.5 cents in each dollar of eligible annual R&D expenditure. R&D Activities are registered with AusIndustry in the following financial year and based on this filing, the Group receives the incentive in cash. Management reviews the Group's total R&D expenditure to estimate the refundable tax offset receivable under the R&D tax incentive legislation. This area is a key audit matter due to the size of the accrual and the degree of judgment and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">obtaining through discussions with management an understanding of the process to estimate the claim;utilising an internal R&D tax expert to;<ul style="list-style-type: none">review the expenditure methodology employed by management for consistency with the R&D tax offset rules; andconsider the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria;comparing the nature of the R&D expenditure included in the current year estimate to the prior year's claim;vouching a sample of R&D expenditure through to supporting documentation to ensure appropriate classification, the validity of the claimed amount and eligibility against the R&D tax incentive scheme criteria; andassessing the appropriateness of the financial statement disclosures.

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 2025 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

- the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- 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: https://www.auasb.gov.au/media/bwjcgre/ar1_2024.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 30 to 42 of the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Archer Materials Limited, for the year ended 30 June 2025 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



JL Humphrey
Partner – Audit & Assurance

Adelaide, 28 August 2025

Additional Information





Shareholder information

Compiled as at 1 August 2025

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

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	2,109	-
1,001 - 5,000	3,787	-
5,001 - 10,000	1,594	-
10,001 - 100,000	2,553	-
100,001 and over	390	7
Total	10,433	7

Unmarketable Parcels	Minimum parcel size	Holders	Ordinary Shares
Minimum \$500.00 parcel at \$0.29 per share	1,725 shares	3,091	2,536,610

Voting Rights

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

- (a) Ordinary Shares: On a show of hands, every person present who is a member or proxy, attorney or representative of a member has one vote and upon a poll each share shall have one vote.
- (b) Unlisted Options: No voting rights.

» Additional Information

Ordinary Shares

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

Rank	Name	Shares	% Issued capital
1	BNP PARIBAS NOMS PTY LTD	9,794,699	3.84
2	CITICORP NOMINEES PTY LIMITED	8,052,515	3.16
3	GDE EXPLORATION (SA) PTY LTD <DRAGON MINING INV A/C>	7,471,798	2.93
4	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	3,643,198	1.43
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	MR FORBES VALE SPRAWSON + MRS MARGARET MARY SPRAWSON	2,300,000	0.90
8	KOOYAP PTY LTD <YAP & FOO S/F A/C>	2,026,534	0.80
9	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,981,528	0.78
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,939,106	0.76
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,878,724	0.74
12	MR ALISTAIR CHARLES JACKSON	1,547,347	0.61
13	MRS DEBORAH ANNETTE ROSSITER	1,463,679	0.57
14	MR BASIL CATSIPORDAS	1,435,000	0.56
15	MRS KAREN DRISCOLL + MR RAYMOND DRISCOLL <EDWIN HOLDINGS SUPER A/C>	1,316,970	0.52
16	WADE BOLLENHAGEN	1,218,300	0.48
17	MR MARK WILLIAM DANIEL + MRS SUZANNE LOUISE DANIEL <M & S DANIEL SUPER FUND A/C>	1,199,634	0.47
18	MR JARROD DRISCOLL <DRISCOLL BROTHERS S/F A/C>	1,132,957	0.44
19	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,059,740	0.42
20	CLOCKWELL PTY LTD <CLOCKWELL A/C>	1,048,063	0.41
Total		57,007,583	22.37

Corporate Governance Statement

For the Year Ended 30 June 2025

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

Corporate directory

Directors

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

Chief Executive Officer

- Dr Simon Ruffell

Company Secretary

- Jake van der Hoek

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

Stay in touch

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

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

Website

- archerx.com.au

Sign up to our Newsletter

- eepurl.com/dKosXI

Twitter

- <https://twitter.com/archerxau>

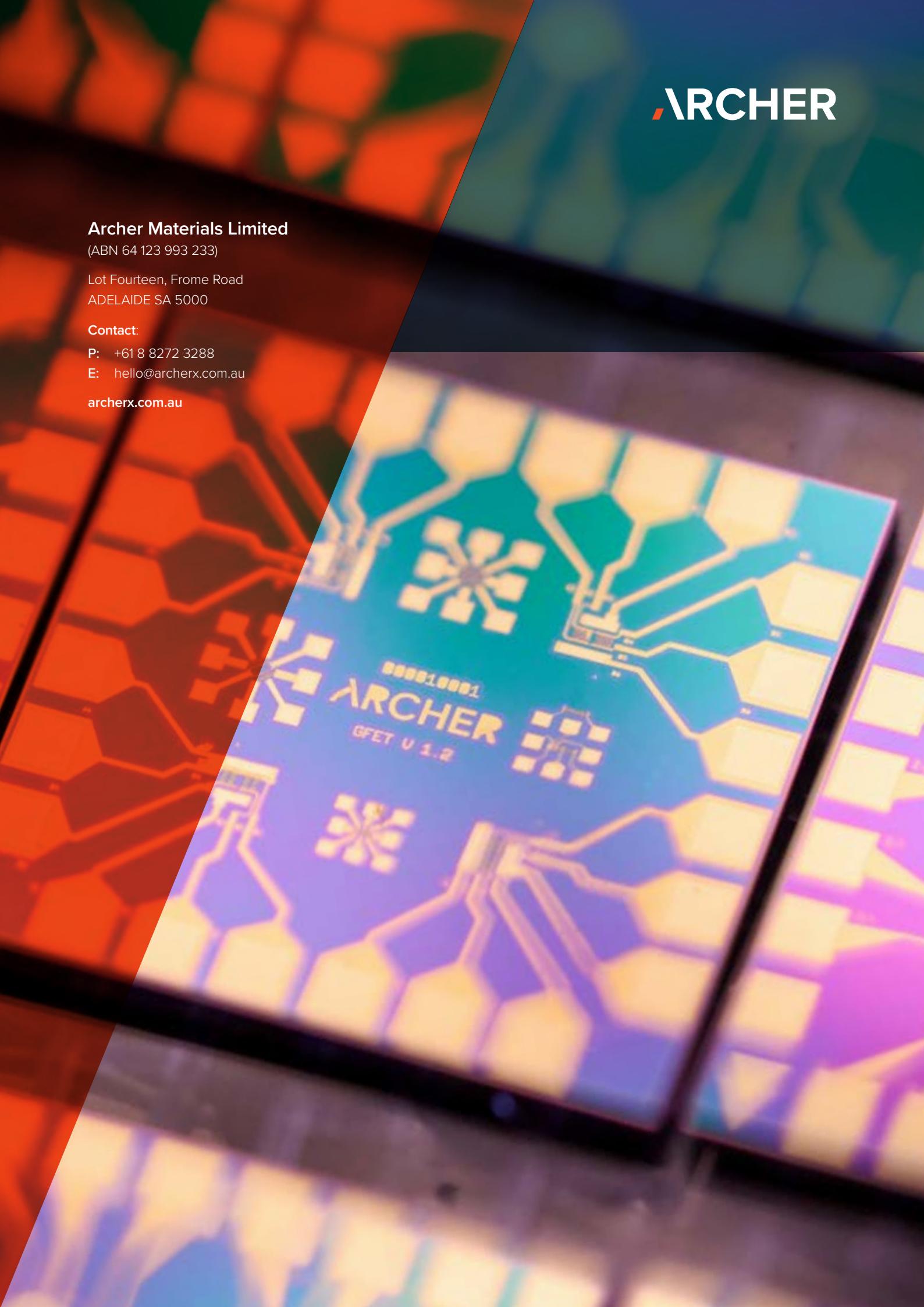
YouTube

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



ARCHER





ARCHER

Archer Materials Limited

(ABN 64 123 993 233)

Lot Fourteen, Frome Road
ADELAIDE SA 5000

Contact:

P: +61 8 8272 3288
E: hello@archerx.com.au
archerx.com.au