

## PRE-QUOTATION DISCLOSURE

Sparc Technologies Limited (ACN 009 092 068) (**Company**) provides the following confirmations to satisfy the conditions for reinstatement of the Company's securities to quotation on ASX.

Capitalised terms used in this announcement not otherwise defined have the meaning given in the Company's prospectus dated 5 October 2020 (**Prospectus**).

### 1. Confirmation of completion of Offers

The Company confirms the issue of:

- (a) 20,000,000 Shares at an issue price of \$0.20 each to raise \$4,000,000 under the Public Offer;
- (b) 29,500,000 Shares to the GTS Vendors under the Consideration Offer;
- (c) 250,000 Shares and 1,409,265 Options to Morgans Corporate Limited (or its nominees) under the Lead Manager Offer; and
- (d) 375,000 Shares and 750,000 Options to Discovery Capital Partners (or its nominees) under the Advisor Offer.

### 2. Updated statement of commitments

An updated statement of commitments based on the actual amount of funds raised under the Prospectus (\$4,000,000) is set out below:

Source of funds	Amount \$
Existing cash reserves	2,050,000
Cash reserves of the GTS	50,000
Proceeds from the Public Offer	4,000,000
<b>Total funds available</b>	<b>6,100,000</b>

Use of Funds	\$	%
Costs of the Offers	470,000	8
Corporate administration	1,000,000	16
Research and development	1,300,000	21
Construction of graphene production facilities and production costs (includes Feasibility Study \$500,000)	1,900,000	31
Marketing and business development	730,000	12

Working capital	700,000	11
<b>Total</b>	<b>6,100,000</b>	<b>100</b>

Shareholders should note that the above estimate expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors, actual expenditure levels may differ significantly from the above estimates.

### 3. Updated pro forma statement of financial position

An updated pro-forma statement of financial position based on the actual amount of funds raised under the Prospectus (\$4,000,000) is set out below.

	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Subsequent Event Adjustments AUD \$	Pro Forma Adjustments \$4 million AUD\$	Pro Forma After Issue \$4 million AUD \$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	2,245,345	53,995	-	3,530,457	5,829,797
Trade and other receivables	12,257	86,034	(50,000)	-	48,291
Current tax assets	16,501	135,602	-	-	152,103
<b>Total current Assets</b>	<b>2,274,103</b>	<b>275,631</b>	<b>(50,000)</b>	<b>3,530,457</b>	<b>6,030,191</b>
<b>Non-Current Assets</b>					
Property plant & equipment	-	79,757	-	-	79,757
Financial assets (at fair value through profit or loss)	179	-	-	-	179
<b>Total Non-Current Assets</b>	<b>179</b>	<b>79,757</b>	<b>-</b>	<b>-</b>	<b>79,936</b>
<b>TOTAL ASSETS</b>	<b>2,274,282</b>	<b>355,388</b>	<b>(50,000)</b>	<b>3,530,457</b>	<b>6,110,127</b>
<b>LIABILITIES</b>					

	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Subsequent Event Adjustments AUD \$	Pro Forma Adjustments \$4 million AUD\$	Pro Forma After Issue \$4 million AUD \$
<b>Current Liabilities</b>					
Trade and other payables	59,115	418,417	(100,000)	-	377,532
<b>Total Current Liabilities</b>	59,115	418,417	(100,000)	-	377,532
<b>TOTAL LIABILITIES</b>	59,115	418,417	(100,000)	-	377,532
<b>NET ASSETS</b>	2,215,167	(63,029)	50,000	3,530,457	5,732,595
<b>EQUITY</b>					
Contributed equity	42,669,310	1,328,639	280,000	(36,390,909)	7,887,040
Reserves	3,563,408	247,200	(180,000)	(2,392,035)	1,238,573
Accumulated losses	(44,017,551)	(1,638,868)	(50,000)	42,313,401	(3,393,018)
<b>TOTAL EQUITY</b>	2,215,167	(63,029)	50,000	3,530,457	5,732,595

**Notes:**

1. The cash and cash equivalents balance above does not account for working capital movements over the period from the date of the Prospectus until the date of reinstatement.
2. The pro forma Statement of Financial Position is to be read in conjunction with the Independent Limited Assurance Report as set out in Annexure A of the Prospectus

#### 4. Capital structure

The Company's capital structure at the date of reinstatement is:

Security	Number
Shares <sup>1</sup>	70,463,499
Performance Shares	7,000,000
Options <sup>2</sup>	3,346,765

**Notes**

1. The Company has undertaken a consolidation of its securities with the treatment of fractional shares resulting in the total number of fully paid ordinary shares on issue post-consolidation being 20,338,499, which is 241 shares more than the figure stated in the Prospectus of 20,338,258 shares.
2. Comprising:

- a. 212,500 unquoted options exercisable at \$1.20 each and expiring on 5 December 2021 (refer to Schedule 1 for the full terms and conditions of these options);
- b. 975,000 unquoted options exercisable at \$0.30 each and expiring on 9 August 2023 (refer to Schedule 2 for the full terms and conditions of these options); and
- c. 2,159,265 Options with an exercise price of \$0.30 each and expiring on 12 November 2023.

## 5. Restricted securities

The Company confirms the following securities will be subject to restriction pursuant to the ASX Listing Rules for the periods outlined below:

Class	Number	Restriction Period
Shares	11,857,895	24 months from the date of official quotation
Shares	3,842,643	12 months from the date of issue (until 28 April 2021)
Shares	991,159	12 months from the date of issue (until 14 July 2021)
Options with an exercise price of \$0.30 and an expiry date of 12 November 2023	2,159,265	24 months from the date of official quotation
Performance Rights	7,000,000	24 months from the date of official quotation

## 6. Terms and conditions of ASX waivers

The Company has obtained the following Listing Rule waivers from ASX:

- (a) 10.13.5 to permit the Company to issue 2,250,000 Shares to related parties of the Company under the Public Offer at the same time as the Public Offer Shares to be issued to unrelated parties (being no later than 3 months after the date of the General Meeting held on 26 October 2020 (**Meeting**)). Refer to Schedule 3 for the full terms and conditions of the ASX waiver.
- (b) 10.13.5 to permit the Company to issue 375,000 Shares and 750,000 Options to Discovery Capital Partners (or its nominees) at the same time as the Public Offer Shares (being no later than 3 months after the date of the Meeting). Refer to Schedule 3 for the full terms and conditions of the ASX waiver.
- (c) 9.1(b) to permit the Company to apply the restrictions in paragraphs 1 and 2 of Appendix 9B (as applicable) to the ordinary shares to be issued to the existing shareholders of Graphene Technology Solutions Ltd. Refer to Schedule 4 for the full terms and conditions of the ASX waiver.


The Company has also separately obtained a confirmation from ASX that the terms of the Performance Shares are acceptable to ASX for the purposes of Listing Rule 6.1.

7. **Completion of Share Sale Agreement and Ancillary SSAs**

The Company confirms

- (a) satisfaction of the conditions precedent and completion of the Share Sale Agreement; and
- (b) completion of the Share Sale Agreement and Ancillary SSAs between the Company and the GTS Vendors, including the issue of the shares under the Consideration Offer.

**By order of the Board**

A handwritten signature in blue ink, appearing to read "Benjamin Donovan", written over a horizontal line.

Benjamin Donovan  
Company Secretary

### Schedule 1 - Terms and conditions of Options exercisable at \$1.20 each on or before 5/12/21

- (a) Each Option gives the holder the right to subscribe for one Share upon the exercise of each Option.
- (b) The Options have no vesting period.
- (c) The Options are exercisable on or prior to the date which is five years post the date of their issue (the **Expiry Date**) by notice in writing to the Directors of the Company accompanied by payment of the exercise price.
- (d) An Option not exercised on or before the Expiry Date will automatically lapse.
- (e) Subject to paragraph (m), the amount payable upon exercise of each Option will be \$1.20 (**Exercise Price**), which represents a 100% premium to the issue price of the Placement shares.
- (f) The Options held may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- (g) The Optionholder may exercise the Incentive Options by lodging with the Company, on or before the Expiry Date:
  - i. a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - ii. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Exercise Notice.
- (j) The Options shall be freely transferable and subject to compliance with the Corporations Act.
- (k) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

## Schedule 2 - Terms and conditions of Options exercisable at \$0.30 each on or before 9/8/23

### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### 2. Exercise Price

Subject to paragraph 11 the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**):

### 3. Expiry Date

Each Option will expire 5 years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 7. Quotation

The unquoted Options will form a class of Options unlisted on ASX.

### 8. Quotation of Shares issued on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

### 9. Timing of issue of Shares on exercise

Subject to paragraph 9(d) below, within 10 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company must:

- (a) issue the Shares pursuant to the exercise of the Options;
- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options. If the Company is not then permitted to issue a cleansing notice under section 708A(5)(e) of the Corporations Act, the Company must either:
  - (d) issue a prospectus on the date that the Shares are issued under paragraph 9(a) above (in which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt of the Notice of Exercise, to allow the Company time to prepare that prospectus); or
  - (e) issue a prospectus before the date that the Shares are issued under paragraph 9(d) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued, in accordance with the requirements of section 708A(11) of the Corporations Act.

### 10. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

### 11. Reconstruction of capital

In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the Expiry Date of the Options, all rights of the Option holder will be varied in accordance with the Listing Rules.

#### 12. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

#### 13. Change in exercise price

There will be no change to the Exercise Price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other Securities to the holders of Shares in the Company (other than a bonus issue).

#### 14. Adjustment for bonus issues

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Option Exercise Price.

#### 15. Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



### Schedule 3 - Terms and conditions of ASX Listing Rule 10.13.5 waiver

#### Waiver Decision

1. Based solely on the information provided, ASX Limited ('ASX') grants Acacia Coal Limited (the 'Company'), in connection with the acquisition of 100% of the issued capital of Graphene Technology Solutions Limited ('Acquisition') and a proposed capital raising of between \$3,000,000 (minimum) and \$4,000,000 (maximum) ('Capital Raising') via the issue of between 15,000,000 and 20,000,000 ordinary shares at an issue price of \$0.20 per share ('Capital Raising Shares') a waiver from listing rule 10.13.5 to the extent necessary to permit the Company to issue the following securities to existing and future related parties:

1.1 up to 375,000 Capital Raising Shares to current director Adam Santa Maria;

1.2 up to 750,000 Capital Raising Shares to existing director Logan Robertson;

1.3 up to 250,000 Capital Raising Shares to existing director Brett Lawrence;

1.4 up to 375,000 Capital Raising Shares to proposed director Stephen Hunt;

1.5 up to 500,000 Capital Raising Shares to proposed director Daniel Eddington;

1.6 375,000 ordinary shares at the issue price of the Capital Raising Shares and 750,000 unquoted options with an exercise price of \$0.30 and an expiry date 3 years from the date of issue to Discovery Capital Partners (or its nominee) in respect of corporate advisory services,

('Related Party Securities') later than 1 month after the date on which the issue of the Related Party Shares is approved at a meeting of the Company's ordinary security holders, subject to the following conditions:

1.7 the Related Party Securities are issued by no later than the date that the Capital Raising Shares are issued which must be no later than 3 months after the date of the shareholder meeting;

1.8 the Related Party Securities are issued pursuant to the relevant terms and conditions set out in the notice of meeting pursuant to which the Company will seek the approval required under listing rule 11.1.2 for the Acquisition ('Notice');

1.9 the circumstances of the Company, as determined by the ASX, have not material changed since the Company's shareholders approved the issue of the Related Party Securities; and

1.10 the terms of the waiver are clearly disclosed in the Notice and in the prospectus to be issued in respect of the Capital Raising.

2. ASX has considered Listing Rule 10.13.5 only and makes no statement as to the Company's compliance with other listing rules.

## Schedule 4 - Terms and conditions of ASX Listing Rule 9.1(b) waiver

### Waiver Decision

1. Subject to Resolutions 2 and 3 and based solely on the information provided, ASX Limited ('ASX') grants Acacia Coal Limited (the 'Company') a waiver from listing rule 9.1(b) to the extent necessary to permit the Company to apply the restrictions in paragraphs 1 and 2 of Appendix 9B (as applicable) to the ordinary shares to be issued to the existing shareholders of Graphene Technology Solutions Ltd ('GTS'), as follows.

1.1 The shares issued to the shareholders of GTS who subscribed with cash for their shares in GTS are treated as being held by a related party, promoter or unrelated party seed capitalists of the Company or GTS, as appropriate to each holder.

1.2 Cash formula relief is applicable to those shares that are issued to persons who subscribed for their GTS shares for cash consideration, provided ASX is satisfied with the evidence submitted to substantiate the cash amounts paid to GTS.

1.3 For the purposes of determining the length of the escrow period for shares issued to unrelated seed capitalists which are subject to 12 month escrow, the 12 month escrow period will be deemed to begin on the date on which the cash subscription for their shares was made.

1.4 For the purposes of determining the length of the escrow period for shares issued to related party or promoter seed capitalists which are subject to 24 months escrow, the 24 months escrow period will begin on the date of the reinstatement of trading in the Company's securities.

2. Resolution 1 is conditional upon the Company acquiring 100% of the issued capital of GTS and the entire business of GTS being acquired by the Company.

3. The restrictions in paragraph 4 of Appendix 9B will be applied to the ordinary shares to be issued to unrelated GTS vendor, University of Adelaide, which received its securities in GTS as consideration for licensed technology on 28 April 2020.

4. ASX has considered Listing Rule 9.1(b) only and makes no statement as to the Company's compliance with other listing rules.