

**Sparc Technologies Limited
ACN 009 092 068**

Prospectus

This Prospectus is being issued for an offer of 1,000 Shares at an issue price of \$0.70 per Share.

This Prospectus has been prepared for the purposes of section 708A(11) of the Corporations Act, to remove trading restrictions on Shares issued prior to the Closing Date.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

The Shares offered in connection with this Prospectus are of a speculative nature.



Table of contents

Important Information	3
Corporate Directory	4
Indicative Timetable	5
1. Details of the Offer	6
2. Risk factors	10
3. Effect of the Offer	16
4. Additional information	18
5. Authorisation	24
6. Glossary of Terms	1

Important Information

Prospectus

This Prospectus is dated 3 November 2021 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Cleansing Shares offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 2, 480 Collins Street, Melbourne VIC 3000, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3). The Offer is only available to those who are personally invited to accept the Offer. Applications for Cleansing Shares under the Offer can only be submitted on an original Application Form which accompanies this Prospectus.

Potential investors should be aware that subscribing for Cleansing Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 2 of this Prospectus.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Cleansing Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Cleansing Shares pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AEDT unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Corporate Directory

Directors

Mike Bartels
Stephen Hunt
Daniel Eddington
Thomas Spurling

Managing Director
Executive Chairman
Non-Executive Director
Non-Executive Director

Company Secretary

Adrien Wing

Registered and Principal Office

Level 2, 480 Collins Street
Melbourne VIC 3000

Phone: +61 3 9614 0600

Email: info@sparctechnologies.com.au

Website: <http://www.sparctechnologies.com.au/>

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Phone (within Australia): 1300 554 474

Phone (outside Australia): +61 1300 554 474

Corporate Lawyers

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

Auditor*

BDO Audit Pty Ltd
BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000

Securities Exchange Listing

Australian Securities Exchange (**ASX**)
ASX Code: SPN

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Indicative Timetable

Event	Date
Lodgement of Appendix 3B for Placement Shares	27 October 2021
Lodgement of Prospectus with ASIC and ASX	3 November 2021
Opening Date of Offer	3 November 2021
Issue of Placement Shares and Option Exercise Shares and lodgement of Appendix 2A	3 November 2021
Lodgement of Appendix 3B for Cleansing Shares under this Prospectus	3 November 2021
Closing Date of Offer and issue of Cleansing Shares	5 November 2021
Lodgement of Appendix 2A for Cleansing Shares	5 November 2021 (pre-market)

*These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

1. Details of the Offer

1.1 Summary of the Offer

The Company is offering, pursuant to this Prospectus 1,000 fully paid ordinary shares (**Cleansing Shares**) at an issue price of \$0.70 each to raise \$700.00 (before costs) (**Offer**).

The Offer will only be extended to specific parties unrelated to the Company on invitation of the Directors. An Application Form will only be provided by the Company to these parties, together with a copy of this Prospectus.

Cleansing Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. Refer to Section 4.1 for a summary of the rights and liabilities attaching to the Cleansing Shares under the Offer.

1.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that attach to Shares issued by the Company prior to the Closing Date, so that subscribers of those Shares may, if they choose to, sell those Shares (as applicable) within twelve months from the date of their issue without the issue of a prospectus. These include:

- (a) 4,000,000 Shares (**Placement Shares**) issued to professional and sophisticated investors on 3 November 2021 under the Company's Listing Rule 7.1A placement capacity at an issue price of \$0.70 per Share, to raise \$2,800,000 (before costs) (**Placement**);
- (b) 89,606 Shares (**Adviser Shares**) issued to Westar Capital on 3 September 2021 under the Company's Listing Rule 7.1 placement capacity in lieu of \$30,000 in fees;

- (c) 325,000 Shares (**Option Exercise Shares**) issued to Brett Lawrence ATF <the Arcadia Investment Trust>; and
- (d) any other Shares the Company may issue between the date of this Prospectus and the Closing Date (including but not limited to any Shares issued upon the exercise of Options).

Apart from the issue of Shares outlined in Section 1.1, no other Securities will be issued under the Offer. Accordingly, this Prospectus is being lodged to comply with 'Case 1' of section 708A(11) of the Corporations Act and cleanse the Placement Shares, Adviser Shares and Option Exercise Shares which were issued without disclosure under Part 6D.2 of the Corporations Act.

The Cleansing Shares issued under the Offer will be issued under the Company's existing placement capacity under Listing Rule 7.1. The Company will raise \$700 under the Offer (before costs). The total estimated expenses of the Offer are \$19,581 and will be paid by the Company from its cash reserves.

1.3 **Closing Date**

The Closing Date for the Offer is 5 November 2021. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.4 **Minimum subscription**

There is no minimum subscription for the Offer.

1.5 **Application Forms**

The Offer is being extended to investors who are invited by the Company to subscribe for Cleansing Shares and is not open to the general public. The Company may determine in its discretion whether to accept any or all of the Applications.

Applications must be made using the Application Form attached to this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms, together with application monies, must be received by the Company prior to the Closing Date. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form. If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Cleansing Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the Cleansing Shares under the Offer.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.6 **Issue and dispatch**

Subject to the Corporations Act and the Listing Rules, the Company intends to issue the Cleansing Shares under the Offer on or about 5 November 2021. Shareholder statements will be dispatched as soon as possible after the issue of the Cleansing Shares under the Offer.

1.7 **Application Monies held on trust**

All Application Monies received for the Cleansing Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Cleansing Shares are issued. All Application Monies will be returned (without interest) if the Cleansing Shares are not issued.

1.8 **ASX quotation**

Application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Cleansing Shares under the Offer. If permission is not granted by ASX for the Official Quotation of the Cleansing Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.9 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will set out the number of Cleansing Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Cleansing Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by Link Market Services Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.10 **Residents outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.11 Risk factors

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 2.

1.12 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Cleansing Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or potential investors. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Cleansing Shares under this Prospectus.

1.13 Major activities and financial information

A summary of the major activities and financial information relating to the Company can be found in the Company's annual financial report for the year ending 30 June 2021 lodged with ASX on 26 August 2021 (**Annual Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report.

Copies of the Report are available free of charge from the Company. The Directors strongly recommend that Applicants review this document and all other announcements prior to deciding whether or not to participate in the Offer.

1.14 Privacy

Applicants will be providing personal information to the Company (directly or by the Company's share registry) on the Application Forms. The Company collects, holds and will use that information to assess the Application, service Shareholders' needs, facilitate distribution payments and corporate communications to Shareholders and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers set out in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including *the Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Applicants should note that if they do not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

1.15 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by email to info@sparctechnologies.com.au.

2. Risk factors

The Cleansing Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful.

Potential investors should consider whether the Cleansing Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below.

2.1 Risks specific to the Company

(a) Loss-making operation, future capital requirements and limited operating history

As at the date of this Prospectus the Company is currently loss making and is not cash flow positive, meaning it is reliant on raising funds from investors to continue to fund its operations and product development. The future capital requirements of the Company will depend on many factors, including the pace and magnitude of its the development of its business and sales. The Company believes that its available cash and the net proceeds of the Placement will be adequate to satisfy the anticipated current working capital and other capital requirements. However, the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer-term objectives.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) Intellectual property risks

The success of the Company's business depends, in part, on its continued ability to protect its intellectual property and to use any trademarks accordingly to increase brand awareness. The Company will depend on its intellectual property to protect its brands and trade secrets, and any pending patents on its products and production processes.

Within the industry that the Company's business operates, there exists an ongoing risk of third parties claiming involvement in technological discoveries. The Company has

taken steps to protect and confirm its interest in its intellectual property and will endeavour to implement all reasonable processes to protect its intellectual property.

(c) **Licence Risk**

The Company's operations are focused on graphene technologies under the Licence from the University of Adelaide (**UoA**). The scope of the Licence dictates the scope and certainty of the Company's intellectual property rights. UoA has rights under the Licence which allow it to limit or restrict the Company's rights to exploit the Licensed Technology, however, at present, no such limitations have been notified to the Company by UoA. The Company must obtain UoA's prior written consent to any grant of a sub-licence or sub-contract, which may restrict the Company's flexibility in exploiting the Licensed Technologies. UoA retains rights, titles and interests in improvements to the Licensed Technologies, and any such improvements must be negotiated between the Company and UoA. There is a risk that UoA and the Company may not be able to come to an agreement and that improvements to the Licensed Technologies may not be able to be exploited by the Company. UoA also has rights to terminate the Licence, for events such as:

- (i) if UoA in good faith considers that the Company has not vigorously exploited the Technologies with due care and skill;
- (ii) in respect of a particular country, if the Company notifies UoA that it intends to cease paying patent costs in that country; and
- (iii) if the Company commits a material breach of the Licence which is not rectified within 14 days of the Company receiving notice of such a breach.

While the Company intends to vigorously exploit the Licensed Technologies in accordance with the terms of the Licence and at the date of this Prospectus is not aware of any reason as to why the Licence would be terminated, in the event that the Licence were to be terminated, it would significantly affect the Company's proposed operations. UoA holds 3,842,643 Shares, and as such the Company considers the risk of termination of the Licence to be somewhat mitigated due to the alignment of interests and efforts of UoA and the Company.

(d) **Development and commercialisation**

The Company has not completed the development of any of its devices and does not currently have any commercial agreements to distribute devices or consumables. The Company's ability to generate revenues in the future will be subject to a number of factors, including but not limited to the Technologies performing to a level sufficient to warrant commercialisation. The development, testing and manufacture of novel technologies is a high risk industry and there is no guarantee that the Company will be able to successfully commercialise the Technologies (including in a profitable sense).

(e) **Litigation and infringement**

The Company may be exposed to legal proceedings, with or without merit over the course of its operations. The Company cannot preclude the risk of claims being brought against it, such as in connection with intellectual property rights. In the event that the Company and/or its employees or agents are found to have not met the appropriate standard of care then this may have a material adverse effect on the Company overall.

(f) **Graphene price volatility**

The value of graphene is affected by numerous factors and events that are external to and beyond the control of the Company. These factors have and may in the future include, the level of: general economic activity and demand; forward selling activity; and economic conditions and political trends. Overall, the financial performance of the Company will be exposed to the fluctuations in the graphene price. Graphene is considered to be an advanced material and therefore its value is affected by fluctuations in the advanced materials industry, as well as economic, political and market factors. These factors can affect the level of investment into the development of advanced materials, including graphene. The value of graphene and its direct link to the Company's performance may have a material adverse effect on the Company's business, prospects for growth, financial position and operation output.

(g) **Technology and commercialisation risks**

The Company's business depends on technology and is subject to technological change. The Company, if not in a position to respond to such technological changes may be unable to compete effectively. Given the increasing level of competition within the graphene industry, the failure or delay in developing or adopting new technology competitively may result in a reduction in customer demand and in turn reduced financial and operation growth.

The technological changes within the advanced materials industry may require the Company to devote additional resources to adapt or improve its products. There is the risk that such resource allocation and investment in new initiatives may be unsuccessful or result in significant losses.

(h) **Graphene Supply**

The Company requires access to graphene in order to develop and commercialise graphene products. To date, the global COVID-19 pandemic has not impeded the Company' access to its multiple graphene suppliers, however, future interruptions to the global supply chain of graphene could lead to graphene shortages, delays or increased graphene prices, all of which may impede the Company's future operations.

(i) **Insurance**

The Company's business endeavours to maintain insurance that is appropriate for the level of its operations. If the Company incurs losses or liabilities for which it is uninsured, this will have a negative impact on the Company's financial performance and ability to operate its businesses.

(j) **Key personnel risk**

The Company's operational success will depend on the continued employment of senior executives, technical staff and other key personnel who have substantial strategic, technical, functional, marketing and customer expertise with the Licensed Technology and are familiar with the its business and structure. There is no assurance that any contracts with such individuals will not be terminated. If such contracts are terminated or breached, or if these individuals no longer continue in their current roles, new personnel will need to be employed, which may adversely affect the business. The Company is substantially dependent on the continued service of its existing personnel because of the complexity of the Licensed Technology. The departure of

any key personnel may also lead to disruptions of operations. There is no assurance that the Company will be able to retain the services of these persons. the Company mitigates this risk to the extent possible by aligning its personnel with the success of the Company through the issue of equity interests held by certain personnel in the Company.

2.2 **General risks**

(a) **Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

(b) **Investment in capital markets**

As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance.

(c) **General economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company

(d) **Changes in government policies and legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.

(e) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(f) **COVID-19 risk**

The outbreak of the coronavirus disease COVID-19 is impacting global economic markets. The effect of the outbreak on the future performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The effects of COVID-19 on the Company's Share price may also impede the Company's ability to raise capital, or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, limit or prevent access to research facilities, graphene supply, or otherwise adversely impact financial position and prospects.

(g) **Climate change risks**

The climate change risks of particular relevance to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(h) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their

respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Cleansing Shares.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer

	Shares	Unquoted Options¹	Performance Shares²
Balance at the date of this Prospectus ³	74,878,105	8,521,765	7,000,000
Cleansing Shares to be issued under the Offer	1,000	-	-
Balance after the Offer	74,879,105	8,521,765	7,000,000

Notes:

1. 8,521,765 unquoted Options, comprising:
 - (a) 2,159,265 exercisable at \$0.30 each and expiring on 12 November 2023;
 - (b) 212,500 exercisable at \$1.20 each and expiring on 5 December 2021;
 - (c) 650,000 exercisable at \$0.30 each and expiring on 9 August 2023; and
 - (d) 5,500,000 exercisable at \$0.60 each and expiring on 31 December 2023
2. 7,000,000 Performance Shares, comprising:
 - (a) 2,250,000 Performance Shares held by CEO and Managing Director, Mr Mike Bartels (or his nominees);
 - (b) 2,000,000 Performance Shares held by Executive Chairman, Mr Stephen Hunt (or his nominees);
 - (c) 2,000,000 Performance Shares held by Non-Executive Director Mr Daniel Eddington (or his nominees); and
 - (d) 750,000 Performance Shares held by Company Secretary, Mr Adrien Wing (or his nominees).
3. This figure includes the Placement Shares, Adviser Shares and Option Exercise Shares.

3.2 Financial effect of the Offer

After paying the expenses of the Offer of approximately \$19,581 there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$700.00) will be met from the Company's existing cash reserves. The Offer will have a nominal effect on the Company's financial position of reducing the cash balance by \$18,881, being receipt of funds of \$700, less expenses of the Offers of \$19,581.

The following pro-forma statement of financial position of the Company shows the financial effect of the issue of the Cleansing Shares, Placement Shares and Option Exercise Shares.

As at 30 September 2021	30-Sep-21	Pro forma	Movement
Current Assets			
Cash	2,188,998	4,988,998	2,800,000
Receivables	56,193	56,193	0
Other	34,417	34,417	(0)
Current Tax Assets	0	0	0
Total Current Assets	2,279,608	5,079,608	2,800,000
Non-Current Assets			
Financial Assets	108	108	0
Property, Plant & Equipment	392,830	392,830	(0)
RTU Asset	427,835	427,835	0
Intangible Assets	22,220	22,220	(0)
Other Assets	30,000	30,000	0
Total Non- Current Assets	872,993	872,993	(0)
Total Assets	3,152,601	5,952,601	2,800,000
Current Liabilities			
Trade & Other Payables	161,094	161,094	(0)
Employee Benefits	28,382	28,382	0
Lease Liability	75,952	75,952	0
Other	0	0	0
Total Current Liabilities	265,428	265,428	0
Non- Current Liabilities			
Lease Liability	390,088	390,088	0
Total Non-Current Liabilities	390,088	390,088	0
Total Liabilities	655,516	655,516	0
Net Assets (deficit)	2,497,085	5,297,085	2,800,000
Equity			
Issued Capital	10,112,732	12,912,732	2,800,000
Reserves	456,104	456,104	(0)
Accumulated Losses Brought Forward	(7,083,278)	(7,083,278)	0
Current Year Losses	(988,473)	(988,473)	0
Total Equity (Deficit)	2,497,085	5,297,085	2,800,000

Please refer to Section 4.14 for further details on the estimated expenses of the Offer.

3.3 Effect of the Offer on control of the Company

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer, (see Section 4.8).

4. Additional information

4.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Subject to the rights of any preference Shares, the Directors may declare a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Member entitled to that dividend. The Directors may rescind or alter such declaration before the payment is made. No dividend carries interest against the Company. The Directors may also resolve a dividend be satisfied by a distribution of specific assets, provide Shareholders the right to participate in a dividend reinvestment plan or capitalise the reserves and profits of the Company.
- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer. If permitted by the Listing Rules, the Company may refuse to register a transfer of Shares and must refuse to register a transfer, where the transfer would result in a breach of the Listing Rules or a Restriction Agreement.
- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.
- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to

the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid-up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Restricted Securities):** a holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

4.2 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements, accompanied by a Directors' statement and report and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 **Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Annual Report for the period ending 30 June 2021 as lodged with ASX on 26 August 2021; and
- (b) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date	Subject of Announcement
1/11/2021	Sparc Ultra Green Hydrogen Presentation
28/10/2021	Quarterly activities and cashflow report
27/10/2021	Proposed issue of securities
27/10/2021	JV signed with UoA to develop Ultra-Green Hydrogen Tech
25/10/2021	Notice of Annual General Meeting

Date	Subject of Announcement
25/10/2021	Trading Halt
4/10/2021	Notice required under Listing Rule 3.13.1
3/09/2021	Cleansing Notice
3/09/2021	Application for quotation of securities
26/08/2021	Appendix 4G and Corporate Governance Statement

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.15 and the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus, other than is set out in this Prospectus.

The Company advises that as at the date of this Prospectus, consistent with its business objectives, the Company is in discussions with various third parties in respect of the commercialisation of its Licenced Technologies, or potential investments from third parties into its Licenced Technologies and projects. All of the negotiations remain incomplete and save for this disclosure, confidential. There can be no certainty that any agreement will be reached, or that any investment or transaction will eventuate.

4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Cleansing Shares under this Prospectus.

4.6 Market price of Shares

The highest and lowest closing market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$1.55 per Share on 1 November 2021.

Lowest: \$0.385 per Share on 5 August 2021.

The latest available closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$1.395 per Share on 2 November 2021.

4.7 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.8 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

	Shares	Voting power (%)
Stephen Hunt	7,757,533	10.36
The University of Adelaide	3,842,643	5.13

4.9 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Cleansing Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Cleansing Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Cleansing Shares offered under this Prospectus.

4.10 Directors' interests in Securities

The Directors and former Directors have the following relevant interests in the Securities as at the date of this Prospectus:

Directors	Shares	Voting power	Unquoted Options	Performance Shares
Mike Bartels ¹	Nil	Nil	Nil	2,250,000
Stephen Hunt ²	7,757,533	10.36%	Nil	2,000,000
Daniel Eddington ³	2,880,769	3.85%	Nil	2,000,000
Thomas Spurling ⁴	1,219,887	1.63%	Nil	Nil

Notes:

1. Securities held by Mr Bartels directly.
2. Securities are held as follows:
 - (a) 3,565,416 Shares held directly;
 - (b) 2,437,287 Shares and 2,000,000 Performance Shares held by SB Hunt Super Pty Ltd, an entity associated with Mr Hunt; and
 - (c) 1,829,830 Shares held by Minerals and Metals Marketing Pty Ltd, an entity of which Mr Hunt is a director and shareholder.
3. Securities are held as follows:
 - (a) 2,780,769 Shares held directly;
 - (b) 100,000 Shares held by Dejul Trading Pty Ltd, an entity of which Mr Eddington is a director and shareholder; and
 - (c) 2,000,000 Performance Shares held by Dacama Pty Ltd, an entity of which Mr Eddington is a director and shareholder.
4. Securities held by Mr Spurling directly.

4.11 Remuneration of Directors

The Directors received the following remuneration in the financial year ended 30 June 2021:

Director	Cash Salary & Fees ¹ \$	Superannuation \$	Security based remuneration \$	Total \$
Mike Bartels ²	80,000	7,600	21,152	108,752
Stephen Hunt ³	97,169	7,600	50,189	154,958
Daniel Eddington ⁴	36,666	3,865	50,189	90,720
Thomas Spurling ⁵	36,121	3,431	141,575	181,127

Notes:

1. As per the audited accounts of the Company in its Annual Report for the period ending 30 June 2021.
2. Mr Bartels was appointed as Managing Director on 1 July 2021.
3. Mr Hunt was appointed 12 November 2020.
4. Mr Eddington was appointed 12 November 2020.
5. Mr Spurling was appointed 12 November 2020.

4.12 Related party transactions

There are no related party transactions involved in the Offer that are not otherwise described in the Prospectus.

4.13 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.14 Expenses of Offer

Estimated expenses of the Offer	A\$
ASIC lodgement fee	3,206
ASX quotation fee	1,375
Prospectus preparation expenses	15,000
TOTAL	\$19,581

4.15 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HWL Ebsworth Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5. **Authorisation**

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Stephen Hunt
Executive Chairman
Dated: 3 November 2021

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	means Australian dollars.
Adviser Shares	means the 89,606 Shares issued to Westar Capital on 3 September 2021 in lieu of fees.
AEDT	means Australian Eastern Daylight Time.
Annual Report	means the annual financial report of the Company for the period ending 30 June 2021 as lodged with ASX on 26 August 2021.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Shares made on an Application Form.
Application Form	means the Application Form provided by the Company with a copy of this Prospectus.
Application Monies	means the amount of money in dollars and cents payable for Shares pursuant to the Offer.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	means the Directors meeting as a board.
CHESS	means ASX Clearing House Electronic Sub-registry System.
Cleansing Shares	means the 1,000 Shares offered under this Prospectus.
Closing Date	means the closing date for the Offer, being 5 November 2021.
Company	means Sparc Technologies Limited ACN 009 092 068.
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	mean the directors of the Company as at the date of this Prospectus.

Issuer Sponsored	means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
Listing Rules	means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Licence	means the licence granted by UoA to the Company for the use of UoA's technologies pursuant to an agreement dated 6 March 2020.
Licensed Technologies	means the technologies that the Company has been granted licensed to use under the Licence.
Offer	has the meaning given in Section 1.1.
Official List	means the official list of ASX.
Official Quotation	means quotation of Securities on the Official List.
Option Exercise Shares	has the meaning given in Section 1.2(c).
Options	means an option to acquire a Share.
Placement	means the placement of 4,000,000 Shares issued to professional and sophisticated investors on 3 November 2021 under the Company's Listing Rule 7.1A placement capacity at an issue price of \$0.70 per Share, to raise approximately \$2,800,000 (before costs).
Placement Shares	means the Shares issued under the Placement.
Prospectus	means this prospectus dated 3 November 2021.
Re-compliance Prospectus	means the Company's prospectus dated and lodged with ASIC on 5 October 2020.
Section	means a section of this Prospectus.
Securities	means any securities, including Shares or Options issued or granted by the Company.
Shares	means ordinary fully paid shares in the capital of the Company.
Shareholder	means a holder of Shares.
UoA	means the University of Adelaide.