

Prospectus

**Acacia Coal Limited (to be renamed
“Sparc Technologies Limited”)
ACN 009 092 068**

FOR AN OFFER OF UP TO 20,000,000 SHARES AT AN ISSUE PRICE OF \$0.20 EACH TO RAISE UP TO \$4,000,000 (BEFORE COSTS) (PUBLIC OFFER). THE MINIMUM SUBSCRIPTION UNDER THE **PUBLIC OFFER** IS 15,000,000 SHARES TO RAISE \$3,000,000 (BEFORE COSTS).

This Prospectus is also being issued for the following Secondary Offers:

- (a) an offer of up to 29,500,000 Shares to the GTS Vendors (or their nominees) (**Consideration Offer**);
- (b) an offer of 250,000 Shares and up to 1,409,265 Options to Morgans Corporate Limited (or its nominees) (**Lead Manager Offer**); and
- (c) an offer of 375,000 Shares and 750,000 Options to Discovery Capital Partners (or its nominees) (**Adviser Offer**).

The Public Offer is underwritten by Morgans Corporate Limited.



IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

Any investment in the Company under this Prospectus should be considered **highly speculative** in nature. Refer to Section 5 for a summary of key risks associated with an investment in the Company.

Contents

01.	TRANSACTION OVERVIEW	21
02.	DETAILS OF THE OFFERS	25
03.	OVERVIEW OF THE COMPANY, GTS AND THE MERGED GROUP	37
04.	MARKET OVERVIEW	49
05.	RISK FACTORS	55
06.	FINANCIAL INFORMATION	63
07.	DIRECTORS, KEY MANAGEMENT AND CORPORATE GOVERNANCE	67
08.	MATERIAL CONTRACTS	79
09.	ADDITIONAL INFORMATION	93
10.	DIRECTORS' AUTHORISATION	109
11.	DEFINITIONS	113
	ANNEXURE A - INDEPENDENT LIMITED ASSURANCE REPORT	
	ANNEXURE B - INTELLECTUAL PROPERTY REPORT	



Corporate Directory

Existing Board of Directors

Mr Adam Santa Maria – Executive Chairman
Mr Logan Robertson – Non-Executive Director
Mr Brett Lawrence – Non-Executive Director

Proposed Board of Directors

Mr Stephen Hunt – Executive Chairman
Mr Thomas Spurling – Managing Director
Mr Daniel Eddington – Non-Executive Director

Current Company Secretary

Mr Ben Donovan

Proposed Company Secretary

Mr Adrien Wing

Registered Office

Ground Floor, 16 Ord Street
WEST PERTH WA 6005
Telephone: +61 8 9482 0520
Email: info@acaciacoal.com.au

Current ASX Code

ASX: AJC

Proposed ASX Code

ASX: SPN

Website

www.acaciacoal.com.au

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000
Phone (Australia): 1300 554 474
Phone (International): +61 1300 554 474

Auditor*

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
PERTH WA 6000

GTS Auditor*

BDO Adelaide
Level 7, 420 King William Street
Adelaide SA 5000

Legal Advisor

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

Investigating Accountant

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade,
Perth WA 6000

Lead Manager and Underwriter

Morgans Corporate Limited
AFSL 235407
Level 29 Riverside Centre,
123 Eagle Street,
Brisbane QLD 4000

Corporate Advisor

Discovery Capital Partners Pty Ltd
Level 1, 50 Ord Street
WEST PERTH WA 6005

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



Important Information

This Prospectus is dated 5 October 2020 and was lodged with ASIC on that date. Neither ASIC nor ASX (or any of their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Prospectus

This Prospectus is dated 5 October 2020 and was lodged with ASIC on that date. Neither ASIC nor ASX (or any of their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to the Prospectus to be admitted for quotation on ASX.

Securities will not be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Securities pursuant to the Offers must do so using the applicable Application Form attached to or accompanying this Prospectus. Before applying for Securities potential investors should carefully read the Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Securities;
- the assets and liabilities of the Company; and
- the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers.

Risks

Any investment in the Company should be considered **highly speculative**. Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues). The Securities offered by this Prospectus should be considered highly speculative. Please refer to Section 5 for details relating to risk factors. Persons considering applying for Securities pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other adviser before deciding whether to invest.

Offers outside Australia

The offer of Securities made pursuant to this Prospectus is not made to persons to whom, or places in which, it would not be lawful to make such an offer of Securities. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Forward-looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.



Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to applying for Securities. This examination may result in the identification of deficiencies in this Prospectus and, in those circumstances; any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under the Offers set out in this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Re-compliance with Chapters 1 and 2 of the Listing Rules

The Acquisition will constitute a significant change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the official list of ASX. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Public Offer.

Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, the Offers will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 2.4 for further details on the conditions attaching to the Offers.

Secondary Offers

This Prospectus also contains Secondary Offers of Shares and Options. Please refer to Section 2.3 for further details.

No forecast financial information

After considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared, and accordingly, financial forecasts have not been included in this Prospectus.

Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company at bdonovan@ventnorcapital.com and the Company will send you, at no cost, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.acaciacoal.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus may not be drawn to scale.

Third Party Publications

The Overview of the Company, GTS and the Merged Group in Section 3 and the Market Overview in Section 4 of this Prospectus includes attributed statements from books, journals and comparable publications that are not specific to, and have no connection with the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon ASIC Corporations (Consents to Statements) Instrument 2016/72 for the inclusion of these statements in this Prospectus without such consent having been obtained.

Miscellaneous

All references to "\$", "A\$", "AUD", "dollar" and "cents" are references to Australian currency unless otherwise stated. All references to time relate to the time in Perth, Western Australia unless otherwise stated.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 11.



Chairman's Letter



Dear Investor

It is with great pleasure that I invite you to become a shareholder of Acacia Coal Limited (to be renamed "Sparc Technologies Limited" ("Company" or "Sparc")).'

Technological advances have driven the course of human history. In ancient times, bronze and iron were critical to the progress of mankind and have entire ages named after them. In more recent times, silicon semiconductors have enabled the growth of computers to spur the greatest advancement in information technology since the printing press. In today's world, a new super material has been developed which has the potential again to alter the course of history and stimulate the development of society in ways which are now difficult to comprehend.

That material is graphene - a newly discovered substance consisting of a single layer of tightly bound carbon atoms arranged in a hexagonal honeycomb lattice which give it special properties which present as a super material. Graphene is the strongest material known to man despite being the thinnest. It acts as a superconductor through which electrons are able to flow much faster than silicon or copper. It is thermally conductive, hydrophobic (it repels water), anti-microbial (it can kill germs on contact) and it has a number of other special properties which give it multiple potential applications. Graphene is made from one of the most abundant elements on Earth, it is also environmentally friendly, non-toxic and sustainable.

Enter the Graphene Age. Several years ago, a number of Australia's leading universities and scientists came together, with the support of the Australian Government, to create the Graphene Hub headquartered at the University of Adelaide (**UoA**), recognising the importance of this new material for its potential to transform global industries.

Since that time, GTS has entered into the Technology Licence Agreement and Strategic Partnership Agreement with UoA to obtain priority access to and develop certain graphene technologies. GTS has also entered into the Research Agreements with UoA, as well as the Collaboration Agreement with the Graphene Hub. Collectively, these agreements form the backbone of Sparc's development and commercialisation plans.

As announced on 22 July 2020, the Company has entered into the Share Sale Agreement and Ancillary SSAs to acquire 100% of the issued capital of GTS (**Acquisition**). On completion of the Acquisition, Sparc will become a South Australian-based graphene technology company focussed on developing and commercialising functionalised graphene, commencing with anti-corrosive and marine coatings, where work done to date demonstrates positive results. The Company aims to build on these results to develop graphene additive products to disrupt the anti-corrosive and marine coatings industry. Work has also commenced on graphene enhanced products for: contaminated soil remediation; water purification; and precious metals recovery from tailings. As with anti-corrosive and marine coatings, these areas are large industrial markets. Sparc aims to build a strong technical team of its own which will leverage its relationship with Australia's best graphene scientists at the Graphene Hub and UoA, in exploiting the technologies licensed to GTS to manufacture the graphene based products.

Several years ago, a number of Australia's leading universities and scientists came together, with the support of the Australian Government, to create the Graphene Hub headquartered at the University of Adelaide.

“Sparc aims to build a strong technical team of its own which will leverage its relationship with Australia's best graphene scientists at the Graphene Hub and UoA, in exploiting the technologies licensed to GTS to manufacture the graphene based products.”



Following successful completion of the Acquisition, the UoA will become a cornerstone shareholder in Sparc, as well as a strategic partner for current and future research and development. We are delighted with our relationship with the UoA and the members of the Graphene Hub, and the support we have received from government. We are excited to be working with this important and developing technology and to help unlock graphene's full potential.

This Prospectus contains detailed information about the Offers and Sparc's operations, as well as the risks of investing in the Company. I encourage you to read it carefully.

In light of the above, I commend this investment opportunity to you and on behalf of the Board of Directors, look forward to welcoming you as a shareholder of Sparc.

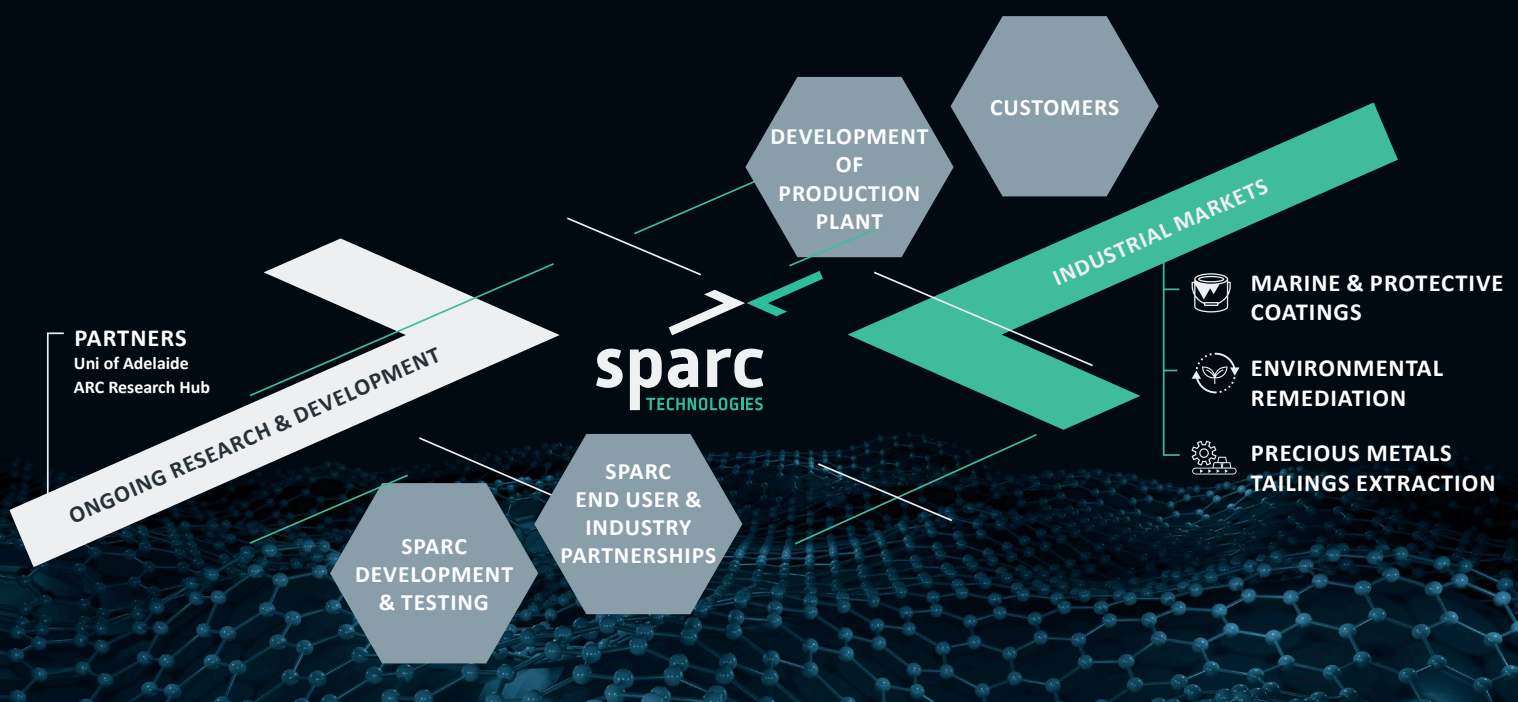
Yours sincerely,



Stephen Hunt

Chairman Designate

Acacia Coal Limited to be renamed "Sparc Technologies Limited"



Key Offer Details

The Company intends to complete a Consolidation of its issued capital (on a 200 to 1 basis) just prior to Completion of the Acquisition. Unless otherwise indicated, references to Securities in this Prospectus are on a post-Consolidation basis. All figures are subject to rounding post Consolidation.

The indicative capital structure of the Company on Completion of the Acquisition and Offers is set out in the table below.

Key details of the Offers ⁽¹⁾	Shares (Min)	% (Min)	Shares (Max)	% (Max)	Performance Shares	Options
Existing (pre-Consolidation)	4,067,651,670	-	4,067,651,670	-	-	312,500,000
Existing (post-Consolidation)	20,338,258	31.1	20,338,258	28.9	-	1,562,500
Public Offer ⁽²⁾	15,000,000	22.9	20,000,000	28.4	-	-
Consideration Offer	29,500,000	45.1	29,500,000	41.9	-	-
Adviser Offer	375,000	0.6	375,000	0.5	-	750,000 ⁽³⁾
Lead Manager Offer	250,000	0.4	250,000	0.4	-	1,409,265 ⁽⁴⁾
Proposed Directors and Key Management Personnel ⁽⁵⁾	-	-	-	-	7,000,000	-
Total	65,463,258	100	70,463,258	100	7,000,000	3,721,765

NOTES

1. Please refer to Section 2.5 for further details relating to the proposed capital structure of the Company.
2. The Company is seeking to raise a minimum of \$3,000,000 (before costs) and a maximum of \$4,000,000 (before costs) under the Public Offer through an offer of a minimum of 15,000,000 and a maximum of 20,000,000 Shares at an issue price of \$0.20 per Share.
3. Please refer to Section 9.3 for the full terms and conditions of the Options.
4. Please refer to Section 9.3 for the full terms and conditions of the Options. This assumes the Maximum Subscription will be raised. In the event the Minimum Subscription is raised, the total number of Options issued under the Lead Manager Offer will be 1,309,265 and the total number of Options on Reinstatement will be 3,621,765.
5. Please refer to Section 9.2 for the full terms and conditions of the Performance Shares.



Indicative Timeline

Event	2020
Lodgement of this Prospectus with ASIC	Monday, 5 October 2020
Opening Date for the Offers	Tuesday, 13 October 2020
Closing Date for the Offers	Tuesday, 27 October 2020
Consolidation Effective Date	Monday, 2 November 2020
Consolidation Record Date	Monday, 2 November 2020
Completion of the Acquisition	Tuesday, 3 November 2020
Issue of Securities under the Offers	Tuesday, 3 November 2020
Dispatch of holding statements	Tuesday, 3 November 2020
Expected date for Shares to be reinstated to trading on ASX	Thursday, 12 November 2020

Note: The dates shown above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form(s) as soon as possible after the Opening Date if they wish to participate in any of the Offers. The Company also reserves the right not to proceed with any of the Offers at any time before the issue of Securities to Applicants.



Investment Overview

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More information
Introduction		
Who is the Company and what does it do?	<p>Acacia Coal Limited (to be renamed "Sparc Technologies Limited") (Company) was incorporated in Western Australia in 1984 and was admitted to the Official List on 3 July 1986.</p> <p>The principal activities of the Company have previously consisted of mineral exploration and development at its Mt Bruce Project (which was surrendered in June 2020) and Mt Windarra Project (which the Company intends to divest following re-admission to the ASX).</p>	Section 3.1
What is the Acquisition?	<p>The Company has entered into the Share Sale Agreement and Ancillary SSAs with the shareholders of Graphene Technology Solutions Limited (GTS) (GTS Vendors) to acquire 100% of the issued capital of GTS.</p> <p>Under the Share Sale Agreement and the Ancillary SSAs, the Company will acquire all of the issued shares in GTS in consideration for the issue of 29,500,000 Consideration Shares to the GTS Vendors.</p> <p>Completion under the Share Sale Agreement is subject to satisfaction (or waiver) of certain condition precedents. Key remaining outstanding conditions precedent include:</p> <ul style="list-style-type: none"> (a) the Company completing the Consolidation (on a 200 to 1 basis); (b) the Company raising a minimum of \$3,000,000 (before costs) through the issue of a minimum of 15,000,000 Shares and a maximum of \$4,000,000 (before costs) through the issue of a maximum of 20,000,000 Shares at an issue price of \$0.20 per share via the Public Offer; (c) execution of all necessary Restriction Agreements required by ASX or the Listing Rules imposing such restrictions on trading of Shares as mandated by the Listing Rules; (d) the Company obtaining all third-party consents and regulatory approvals which may be required to undertake the Acquisition; and (e) the Company receiving a conditional re-listing letter from ASX advising that ASX will reinstate the Company's Shares to official quotation on ASX on terms acceptable to the Company (acting reasonably). 	Sections 1 and 3.1
What is the corporate structure of the Company on completion of the Acquisition?	<p>On completion of the Acquisition, GTS will become a wholly owned subsidiary of the Company, which will be renamed "Sparc Technologies Limited", and the Company's main undertaking will be to operate the GTS business and pursue its growth strategy</p>	Section 3.2



Topic	Summary	More information												
Who is GTS?	<p>GTS is a public company and was founded in November 2018 in order to commercialise particular graphene based projects. GTS is an entity focussed on developing and commercialising Graphene Projects primarily through its strategic partnership with the University of Adelaide (UoA) and the Australian Graphene Hub established in South Australia. GTS has the exclusive and royalty free licence, through the Technology Licence Agreement to commercialise particular graphene applications developed by UoA.</p> <p>The Graphene Projects of GTS, their respective applications and the corresponding patent families licensed under the Technology Licence Agreement are set out below:</p> <table> <tr> <th>Graphene Project</th><th>Application</th><th>Patent Family</th></tr> <tr> <td>Marine and Protective Coatings</td><td>Coatings for anti-corrosion, anti-fouling, wear resistance, drag resistance and fire retardant.</td><td>PCT/AU2017/050990 - Multipurpose graphene-based composite</td></tr> <tr> <td>Metal recovery from tailings</td><td>In-situ recovery of precious metals based on graphene adsorbents.</td><td>PCT/AU2016/050417 - Composite graphene-based material</td></tr> <tr> <td>Water Purification and Soil Remediation</td><td>Water purification, oil removal from water, soil remediation</td><td>PCT/AU2016/050417 - Composite graphene-based material</td></tr> </table>	Graphene Project	Application	Patent Family	Marine and Protective Coatings	Coatings for anti-corrosion, anti-fouling, wear resistance, drag resistance and fire retardant.	PCT/AU2017/050990 - Multipurpose graphene-based composite	Metal recovery from tailings	In-situ recovery of precious metals based on graphene adsorbents.	PCT/AU2016/050417 - Composite graphene-based material	Water Purification and Soil Remediation	Water purification, oil removal from water, soil remediation	PCT/AU2016/050417 - Composite graphene-based material	Section 3.3
Graphene Project	Application	Patent Family												
Marine and Protective Coatings	Coatings for anti-corrosion, anti-fouling, wear resistance, drag resistance and fire retardant.	PCT/AU2017/050990 - Multipurpose graphene-based composite												
Metal recovery from tailings	In-situ recovery of precious metals based on graphene adsorbents.	PCT/AU2016/050417 - Composite graphene-based material												
Water Purification and Soil Remediation	Water purification, oil removal from water, soil remediation	PCT/AU2016/050417 - Composite graphene-based material												
What is the Merged Group's strategy?	<p>Subject to completing the Public Offer, in relation to the products under development by GTS described in this Section 3.3, Sparc intends to:</p> <ul style="list-style-type: none"> (a) undertake a scoping study in respect of the production of graphene and graphene additive products in commercial quantities; (b) design and construct graphene commercial production facilities, including laboratory equipment; (c) undertake a feasibility study into the establishment of larger scale graphene production facilities in South Australia; (d) build and resource the technical and commercial team required to implement the strategy; (e) commercialise the Graphene Projects, following the results of the research and development conducted by UoA and the Graphene Hub: <ul style="list-style-type: none"> (i) develop industry partner/customer relationships within the field of the Graphene Projects initially through the establishment of non-binding technical agreements, leading to binding commercial off-take agreements and/or licence technology to industry partners; and (ii) undertake ongoing marketing of the graphene additive products. 	Section 3.3(e)												
How was the value of, and consideration for, the Acquisition determined?	The Board considers that the quantum of Consideration Shares to be issued for the Acquisition reflects reasonable fair value of GTS in view of the Company having conducted arm's length negotiations with representatives of GTS to arrive at the commercial terms of the Acquisition.	Section 3.4												
Why is the Company required to re-comply with Chapters 1 & 2 of the Listing Rules?	The Acquisition will constitute a significant change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the official list of ASX. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Public Offer. The Company's Securities are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.	Section 1.2												



Topic	Summary	More information																																								
What are the Offers?																																										
What is the Public Offer?	<p>Pursuant to the Public Offer, the Company offers up to 20,000,000 Shares at an Offer Price of \$0.20 per Share to raise up to \$4,000,000 (before costs). The Public Offer is open to the general public.</p> <p>The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 9.1.</p>	Section 2.1(a) and 9.1																																								
What are the Secondary Offers and what are the purposes of the Secondary Offers?	<p>The Secondary Offers are being made under this Prospectus for the purposes described below and also to remove the need for an additional disclosure document to be issued upon the sale of any Securities (or any Shares issued on exercise of any Options) that are issued under the Secondary Offers.</p> <p>(a) Consideration Offer: this Prospectus also includes the Consideration Offer under which the Company offers 29,500,000 Consideration Shares to the GTS Vendors (or their nominees) in consideration for the Acquisition.</p> <p>(b) Adviser Offer: this Prospectus also includes the Adviser Offer, under which the Company offers 375,000 Shares and 750,000 Options to Discovery Capital Partners (or its nominees) in consideration for corporate advisory services provided to the Company.</p> <p>(c) Lead Manager Offer: the Company has engaged Morgans to be the Lead Manager and Underwriter to the Public Offer. In part consideration for services provided as Lead Manager and Underwriter to the Public Offer, the Company will issue to Morgans (or its nominees) 250,000 Shares and up to 1,409,265 Options.</p>	Section 2.3																																								
What are the conditions of the Offers?	<p>The Offers under this Prospectus are conditional upon the following events occurring:</p> <p>(a) the Share Sale Agreement and the Ancillary SSAs becoming unconditional;</p> <p>(b) the Company raising the Minimum Subscription of at least \$3,000,000, under the Public Offer (refer to Section 2.1(b));</p> <p>(c) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing restrictions on Securities as mandated by the Listing Rules; and</p> <p>(d) ASX providing the Company with a list of conditions which, when satisfied, will result in Reinstatement.</p>	Section 2.4																																								
What is the proposed capital structure of the Merged Group?	<p>The proposed pro forma capital structure of the Company following completion of the Consolidation, Offers and the Acquisition is as follows:</p> <table><tr><th></th><th>Shares (Min)</th><th>Shares (Max)</th><th>Performance Shares</th><th>Options</th></tr><tr><td>Existing</td><td>20,338,258</td><td>20,338,258</td><td>-</td><td>1,562,500</td></tr><tr><td>Public Offer</td><td>15,000,000</td><td>20,000,000</td><td>-</td><td>-</td></tr><tr><td>Consideration Offer</td><td>29,500,000</td><td>29,500,000</td><td>-</td><td>-</td></tr><tr><td>Adviser Offer</td><td>375,000</td><td>375,000</td><td>-</td><td>750,000</td></tr><tr><td>Lead Manager Offer</td><td>250,000</td><td>250,000</td><td>-</td><td>1,409,265</td></tr><tr><td>Proposed Directors and KMP</td><td>-</td><td>-</td><td>7,000,000</td><td>-</td></tr><tr><td>Total</td><td>65,463,258</td><td>70,463,258</td><td>7,000,000</td><td>3,721,765</td></tr></table>		Shares (Min)	Shares (Max)	Performance Shares	Options	Existing	20,338,258	20,338,258	-	1,562,500	Public Offer	15,000,000	20,000,000	-	-	Consideration Offer	29,500,000	29,500,000	-	-	Adviser Offer	375,000	375,000	-	750,000	Lead Manager Offer	250,000	250,000	-	1,409,265	Proposed Directors and KMP	-	-	7,000,000	-	Total	65,463,258	70,463,258	7,000,000	3,721,765	Section 2.5
	Shares (Min)	Shares (Max)	Performance Shares	Options																																						
Existing	20,338,258	20,338,258	-	1,562,500																																						
Public Offer	15,000,000	20,000,000	-	-																																						
Consideration Offer	29,500,000	29,500,000	-	-																																						
Adviser Offer	375,000	375,000	-	750,000																																						
Lead Manager Offer	250,000	250,000	-	1,409,265																																						
Proposed Directors and KMP	-	-	7,000,000	-																																						
Total	65,463,258	70,463,258	7,000,000	3,721,765																																						

Topic	Summary	More information
Summary of key risks and key dependencies		
Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 5, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative . This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 5 for a more detailed summary of the risks. The risks below assume completion of the Acquisition, and the Company is operating the GTS businesses.		
Re-Quotation of Shares on ASX	There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.	Section 5.1(a)
Liquidity risk	The application of the ASX escrow restrictions may be considered to result in a liquidity risk as the issued capital will not be able to be traded freely for a period of time and the ability of a Shareholder to dispose of his or her Shares in a timely manner may be affected.	Section 5.1(b)
Dilution risk	On completion of the Acquisition and Public Offer, the existing Shareholders will retain approximately 28.9% of the issued Share capital, the GTS Vendors will hold approximately 41.9% and investors under the Public Offer will hold approximately 28.4% on a Maximum Subscription basis. There is a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.	Section 5.1(c)
Completion, counterparty and contractual risk	There is a risk that the conditions precedent for completion of the Acquisition will not be fulfilled and, in turn, that completion of the Acquisition will not occur. The ability of the Company to achieve its stated objectives will depend on the performance by the GTS Vendors of their obligations under the Share Sale Agreement and Ancillary SSAs (as applicable). If the GTS Vendors or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly and without any certainty of a favourable outcome.	Section 5.1(d)
Loss-making operation, future capital requirements and limited operating history	As at the date of this Prospectus and as set out in Section 6, GTS 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 GTS 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 Public Offer will be adequate to satisfy the anticipated current working capital and other capital requirements as set out in this Prospectus. 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.	Section 5.2(a)
Intellectual property risks	Given the dependence of the Company on intellectual property and the quality of its products and brands, in the event that the Company is unable to protect its intellectual property adequately, then the value of the Company's products and brands could be adversely effected. This may further impact the overall business, with respect to its financial position and overall profitability and operational output.	Section 5.2(b)
Licence Risk	GTS' operations are focused on graphene technologies under the Licence from the UoA as set out in Section 8.2(a). The scope of the Licence dictate the scope and certainty of GTS' intellectual property rights. UoA has rights under the Licence which allow it to limit or restrict GTS' rights to exploit the Licensed Technology, however, at present, no such limitations have been notified to GTS by UoA. GTS must obtain UoA's prior written consent to any grant of a sub-licence or sub-contract, which may restrict GTS' 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 GTS and UoA. There is a risk that UoA and GTS may not be able to come to an agreement and that improvements to the Licensed Technologies may not be able to be exploited by GTS and the UoA also has rights to terminate the Licence for certain events.	Section 5.2(c)



Topic	Summary	More information
Development and commercialisation	GTS 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).	Section 5.2(d)
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.	Section 5.2(e)
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. The graphene price has fluctuated, such that periods of significant decline have impacted on the GTS business. 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.	Section 5.2(f)
Technology and commercialisation risks	GTS' 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.	Section 5.2(g)
Graphene Supply	GTS requires access to graphene in order to develop and commercialise graphene products. To date, the global COVID-19 pandemic has not impeded GTS' access to graphene suppliers from its supplier in Taiwan, 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.	Section 5.2(h)
Insurance	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.	Section 5.2(i)
Key personnel risk	GTS' operational success will substantially 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. 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. GTS 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 Merged Group will be able to retain the services of these persons.	Section 5.2(j)
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. If they are not applied effectively, the Company's financial and/or operational performance may suffer.	Section 5.3(a)
Investment in capital markets	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.	Section 5.3(b)
General economic conditions	The operating and financial performance of the Company is influenced by a variety of general economic and business conditions. 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.	Section 5.3(c)

Topic	Summary	More information																																										
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.	Section 5.3(d)																																										
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.	Section 5.3(e)																																										
COVID-19 risk	The outbreak of the coronavirus disease COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the 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.	Section 5.3(f)																																										
Climate change risks	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. Climate change may cause certain physical and environmental risks that cannot be predicted by the Company.	Section 5.3(g)																																										
Taxation	The Acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.	Section 5.3(h)																																										
Directors, Related Party Interests and Substantial Holders																																												
Who are the Directors?	<p>As at the date of this Prospectus, the Board comprises:</p> <p>(a) Mr Adam Santa Maria;</p> <p>(b) Mr Logan Robertson; and</p> <p>(c) Mr Brett Lawrence.</p> <p>On completion of the Acquisition, Messrs Santa Maria, Robertson and Lawrence will resign from the Board and the Company will appoint the following Proposed Directors:</p> <p>(a) Mr Stephen Hunt – Executive Chairman;</p> <p>(b) Mr Thomas Spurling – Managing Director; and</p> <p>(c) Mr Daniel Eddington – Non-Executive Director.</p> <p>Profiles of each of the Proposed Directors is set out in Section 3.5.</p>	Section 3.5 and 7.1																																										
What interests do Directors have in the Securities of the Company?	<p>Set out in the table below are details of the anticipated relevant interests of the existing Directors and Proposed Directors (and their respective related entities) in the Securities of the Company upon Completion of the Acquisition and Public Offer:</p> <table><tr><th>Name</th><th>Shares</th><th>% (Min)</th><th>% (Max)</th><th>Options</th><th>Performance Shares</th></tr><tr><td>Adam Santa Maria</td><td>762,734</td><td>1.17</td><td>1.08</td><td>1,175,000</td><td>-</td></tr><tr><td>Logan Robertson</td><td>786,116</td><td>1.20</td><td>1.12</td><td>375,000</td><td>-</td></tr><tr><td>Brett Lawrence</td><td>277,087</td><td>0.42</td><td>0.39</td><td>375,000</td><td>-</td></tr><tr><td>Stephen Hunt</td><td>8,057,533</td><td>12.31</td><td>11.44</td><td>-</td><td>2,000,000</td></tr><tr><td>Thomas Spurling</td><td>1,219,887</td><td>1.86</td><td>1.73</td><td>-</td><td>2,250,000</td></tr><tr><td>Daniel Eddington</td><td>3,180,769</td><td>4.86</td><td>4.51</td><td>-</td><td>2,000,000</td></tr></table>	Name	Shares	% (Min)	% (Max)	Options	Performance Shares	Adam Santa Maria	762,734	1.17	1.08	1,175,000	-	Logan Robertson	786,116	1.20	1.12	375,000	-	Brett Lawrence	277,087	0.42	0.39	375,000	-	Stephen Hunt	8,057,533	12.31	11.44	-	2,000,000	Thomas Spurling	1,219,887	1.86	1.73	-	2,250,000	Daniel Eddington	3,180,769	4.86	4.51	-	2,000,000	Section 7.3
Name	Shares	% (Min)	% (Max)	Options	Performance Shares																																							
Adam Santa Maria	762,734	1.17	1.08	1,175,000	-																																							
Logan Robertson	786,116	1.20	1.12	375,000	-																																							
Brett Lawrence	277,087	0.42	0.39	375,000	-																																							
Stephen Hunt	8,057,533	12.31	11.44	-	2,000,000																																							
Thomas Spurling	1,219,887	1.86	1.73	-	2,250,000																																							
Daniel Eddington	3,180,769	4.86	4.51	-	2,000,000																																							



Topic	Summary	More information												
What benefits are being paid to the Directors?	<p>Mr Daniel Eddington has entered into a letter agreement with the Company pursuant to which the Company agrees to pay Mr Eddington \$5,000 per month (including superannuation) for services provided to the Company as a Non-Executive Director. The agreement will commence two business days following receipt of a Conditional Reinstatement Letter. The Company has agreed pursuant to the letter of appointment to issue Mr Eddington (or his nominee) 2,000,000 Performance Shares (subject to Shareholder approval).</p> <p>The Company has also entered into letters of appointment and executive services agreements with Stephen Hunt and Thomas Spurling pursuant to which the Company agrees to pay Mr Hunt a base salary of \$120,000 (plus superannuation) and Mr Spurling a base salary of \$240,000 per annum (plus superannuation), and issue Mr Hunt and Mr Spurling 2,000,000 Performance Shares and 2,250,000 Performance Shares respectively (subject to Shareholder approval).</p>	7.4, 8.3(b) 8.3(c) and 8.3(d).												
Transactions with entities in which the Directors have an interest	<p>The Company notes that Adam Santa Maria is a director of Discovery Capital Partners, Corporate Adviser to the Company. Discovery Capital Partners will receive 375,000 Shares and 750,000 Options (subject to Shareholder approval). Discovery Capital Partners is an entity controlled by Adam Santa Maria, a current Director. Accordingly, Discovery Capital Partners is considered a related party of the Company.</p> <p>In addition, each of the Proposed Directors are also GTS Vendors and are receiving Consideration Shares for the Acquisition pro-rata to their shareholdings in GTS as set out in Section 7.3.</p> <p>The Company has also entered into deeds of indemnity, insurance and access with each of its Directors, the Proposed Directors and the company secretary.</p>	Sections 7.5, 8.3(e), and 8.3(g)												
Who will be the substantial holders of the Company?	<p>At the date of this Prospectus, no Shareholders hold an interest in 5% or more of the Shares on issue. Based on the information known as at the date of this Prospectus, upon re-admission of the Company to the Official List, the following persons will have an interest in 5% or more of the Shares on issue.</p> <table><tr><th>Name</th><th>Shares</th><th>% (Min)</th><th>% (Max)</th></tr><tr><td>Stephen Hunt</td><td>8,057,533</td><td>12.3</td><td>11.4</td></tr><tr><td>UoA</td><td>3,842,643</td><td>5.9</td><td>5.5</td></tr></table>	Name	Shares	% (Min)	% (Max)	Stephen Hunt	8,057,533	12.3	11.4	UoA	3,842,643	5.9	5.5	Section 9.5
Name	Shares	% (Min)	% (Max)											
Stephen Hunt	8,057,533	12.3	11.4											
UoA	3,842,643	5.9	5.5											
Financial information														
How have the Company and GTS performed over the past 3 years?	<p>Pitcher Partners BA&A Pty Ltd has prepared an Independent Limited Assurance Report in respect of the Historical Financial Information of the Company and Pro Forma Historical Financial Information of the Company following the Acquisition.</p> <p>A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant’s work, is set out in Annexure A.</p> <p>Investors should be aware that GTS is currently making a loss. A summary of the financial history of the Company and GTS is set out in the financial information section and Independent Limited Assurance Report in Section 6 and Annexure A.</p>	Section 6 and Annexure A												
What is the financial outlook for the Merged Group?	<p>There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company’s growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company’s markets, the Company’s performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.</p>	Section 6.2												
Will the Merged Group have sufficient funds for its activities?	<p>The Board is satisfied that upon completion of the Public Offer, the Company will have sufficient working capital to meet its stated objectives.</p>	Section 3.7												

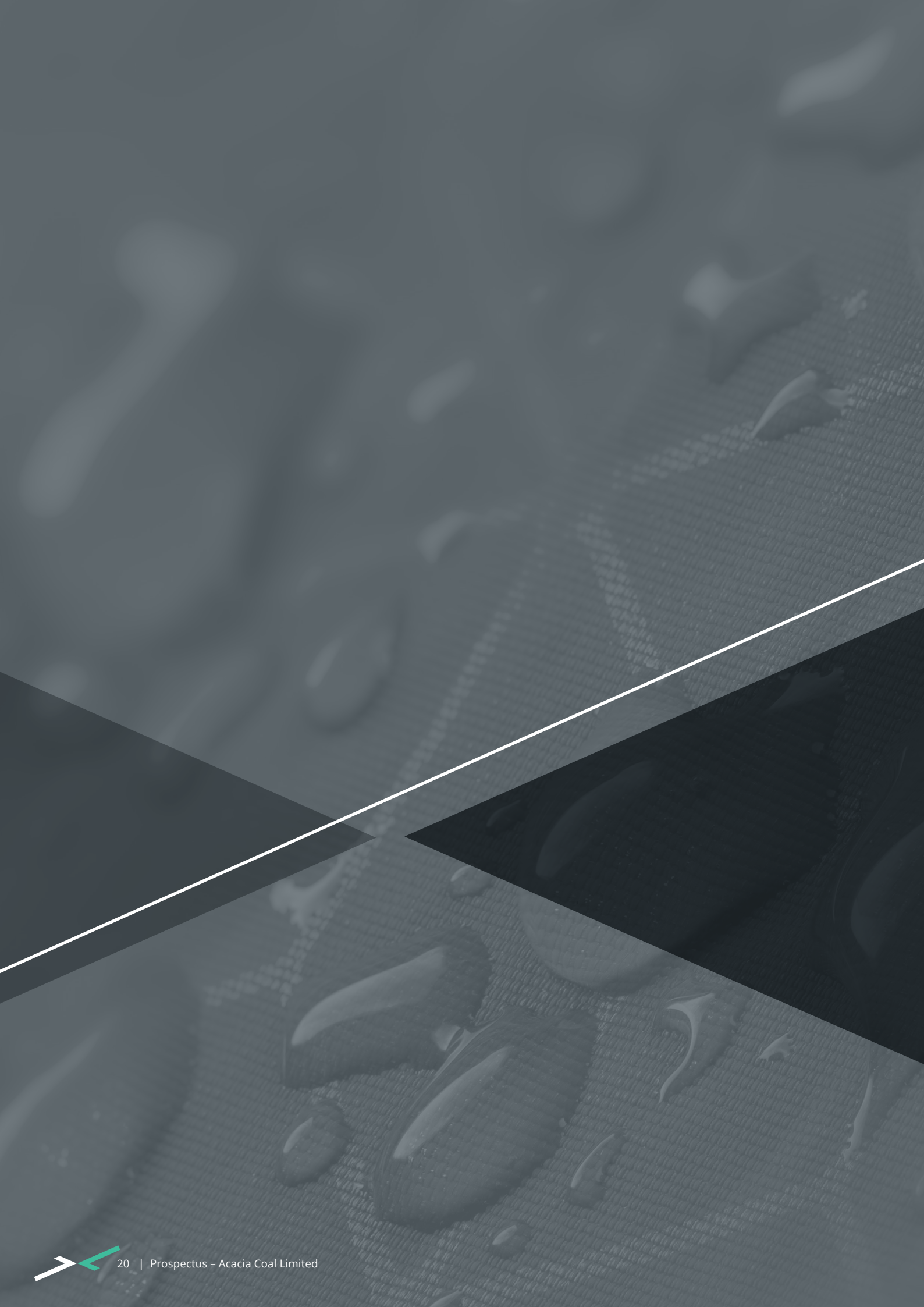
Topic	Summary	More information																																								
What is the proposed use of funds raised under the Public Offer?	The Company intends to apply funds raised from the Public Offer as follows:	Section 3.7																																								
	<table><tr><th>Use of Funds</th><th>\$ (Min)</th><th>% (Min)</th><th>\$ (Max)</th><th>% (Max)</th></tr><tr><td>Costs of the offer</td><td>410,000</td><td>8</td><td>470,000</td><td>7</td></tr><tr><td>Corporate administration</td><td>1,000,000</td><td>19</td><td>1,000,000</td><td>16</td></tr><tr><td>Research and development</td><td>1,000,000</td><td>19</td><td>1,300,000</td><td>21</td></tr><tr><td>Construction of graphene production facilities and production costs</td><td>1,400,000</td><td>26</td><td>1,900,000</td><td>30</td></tr><tr><td>Marketing and business development</td><td>690,000</td><td>13</td><td>730,000</td><td>12</td></tr><tr><td>Working capital</td><td>800,000</td><td>15</td><td>900,000</td><td>14</td></tr><tr><td>Total</td><td>5,300,000</td><td>100</td><td>6,300,000</td><td>100</td></tr></table>		Use of Funds	\$ (Min)	% (Min)	\$ (Max)	% (Max)	Costs of the offer	410,000	8	470,000	7	Corporate administration	1,000,000	19	1,000,000	16	Research and development	1,000,000	19	1,300,000	21	Construction of graphene production facilities and production costs	1,400,000	26	1,900,000	30	Marketing and business development	690,000	13	730,000	12	Working capital	800,000	15	900,000	14	Total	5,300,000	100	6,300,000	100
	Use of Funds		\$ (Min)	% (Min)	\$ (Max)	% (Max)																																				
	Costs of the offer		410,000	8	470,000	7																																				
	Corporate administration		1,000,000	19	1,000,000	16																																				
	Research and development		1,000,000	19	1,300,000	21																																				
	Construction of graphene production facilities and production costs		1,400,000	26	1,900,000	30																																				
	Marketing and business development		690,000	13	730,000	12																																				
Working capital	800,000	15	900,000	14																																						
Total	5,300,000	100	6,300,000	100																																						
Additional information																																										
What are the key dates of the Offers?	The key dates of the Offers are set out below.	Indicative Timetable																																								
	<table><tr><th>Event</th><th>Date</th></tr><tr><td>Lodgement of this Prospectus with ASIC</td><td>Monday, 5 October 2020</td></tr><tr><td>Opening Date for the Offers</td><td>Tuesday, 13 October 2020</td></tr><tr><td>Closing Date for the Offers</td><td>Tuesday, 27 October 2020</td></tr><tr><td>Consolidation Effective Date</td><td>Monday, 2 November 2020</td></tr><tr><td>Consolidation Record Date</td><td>Monday, 2 November 2020</td></tr><tr><td>Completion of the Acquisition</td><td>Tuesday, 3 November 2020</td></tr><tr><td>Issue of Securities under the Offers</td><td>Tuesday, 3 November 2020</td></tr><tr><td>Dispatch of holding statements</td><td>Tuesday, 3 November 2020</td></tr><tr><td>Expected date for Shares to be reinstated to trading on ASX</td><td>Thursday, 12 November 2020</td></tr></table>		Event	Date	Lodgement of this Prospectus with ASIC	Monday, 5 October 2020	Opening Date for the Offers	Tuesday, 13 October 2020	Closing Date for the Offers	Tuesday, 27 October 2020	Consolidation Effective Date	Monday, 2 November 2020	Consolidation Record Date	Monday, 2 November 2020	Completion of the Acquisition	Tuesday, 3 November 2020	Issue of Securities under the Offers	Tuesday, 3 November 2020	Dispatch of holding statements	Tuesday, 3 November 2020	Expected date for Shares to be reinstated to trading on ASX	Thursday, 12 November 2020																				
	Event		Date																																							
	Lodgement of this Prospectus with ASIC		Monday, 5 October 2020																																							
	Opening Date for the Offers		Tuesday, 13 October 2020																																							
	Closing Date for the Offers		Tuesday, 27 October 2020																																							
	Consolidation Effective Date		Monday, 2 November 2020																																							
	Consolidation Record Date		Monday, 2 November 2020																																							
	Completion of the Acquisition		Tuesday, 3 November 2020																																							
	Issue of Securities under the Offers		Tuesday, 3 November 2020																																							
Dispatch of holding statements	Tuesday, 3 November 2020																																									
Expected date for Shares to be reinstated to trading on ASX	Thursday, 12 November 2020																																									
What rights and liabilities attach to the Securities on issue post-Acquisition?	The rights and liabilities attaching to the Shares are described in Section 9.1. The rights and liabilities attaching to Performance Shares and Options are described in Sections 9.2 and 9.3 respectively.	Section 9																																								
How do I apply for Securities under the Offers?	Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 2.6 for further details and instructions.	Section 2.6																																								
Is the Public Offer underwritten?	Yes. The Company has entered into an underwriting agreement with Morgans (also referred to in this Prospectus as "Lead Manager" and Underwriter") under which Morgans is appointed as the exclusive underwriter, bookrunner and lead manager to the Public Offer. The Company has also entered into a mandate with Morgans dated 9 June 2020 under which Morgans has agreed to act as Lead Manager to the Public Offer on standard commercial terms.	Section 8.3(f)																																								
Who is the lead manager to the Public Offer?	The Company has appointed Morgans as the Lead Manager and Underwriter of the Public Offer.	Section 8.3(f)																																								



Topic	Summary	More information
What fees are payable to the Lead Manager and Corporate Adviser?	<p>Morgans will, in consideration for services provided as Lead Manager and Underwriter in relation to the Public Offer, receive a management fee equal to 1% and an underwriting fee equal to 5% of the gross proceeds of the Public Offer (before any costs, expenses or other deductions or payments) and the Company will issue to Morgans (or its nominees) 250,000 Shares and up to 1,409,265 Options (subject to Shareholder approval).</p> <p>In consideration for providing corporate advisory services to the Company, the Company has agreed to pay Discovery Capital Partners (or its nominees) a fee of \$75,000 payable in Shares equivalent to 375,000 Shares at the issue price of the Public Offer and issue to Discovery Capital Partners (or its nominees) 750,000 Options (subject to Shareholder approval).</p>	Sections 8.3(f) and 8.3(g)
What are the Lead Manager's and Corporate Adviser's interests in the Securities of the Company?	<p>As at the date of this Prospectus, Morgans (and its associates) do not hold a relevant interest in the Company's Securities. The extent to which Shares are issued pursuant to the underwriting will increase the Underwriters' voting power in the Company. The Underwriter's present relevant interest and changes under several scenarios are set out in Section 2.8(a).</p> <p>As at the date of this Prospectus, Discovery Capital Partners (and its associates) hold a relevant interest in 12,734 Shares (on a post-Consolidation basis). Assuming neither Discovery Capital Partners nor its associates take up Shares under the Public Offer (other than Mr Adam Santa Maria, who intends to subscribe for up to 375,000 Shares under the Public Offer), Discovery Capital Partners and its associates will have a relevant interest in 762,734 Shares upon Reinstatement (which represent 1.17% of all Shares upon Reinstatement, on a Minimum Subscription basis) and 1,175,000 Options (which represent 31.6% of all Options on issue upon Reinstatement and 1.45% of all Securities on issue upon Reinstatement on a Maximum Subscription basis).</p>	Sections 2.8(a) and 2.8(b)
What is the allocation policy for the Public Offer?	<p>The Directors, in consultation with the Lead Manager and Underwriter, will allocate Shares under the Public Offer at their sole discretion with a view to:</p> <ul style="list-style-type: none"> (a) obtaining an appropriate spread of Shareholders to satisfy Listing Rule 1.1 condition 8; (b) recognising the ongoing support of existing Shareholders and the GTS Vendors; (c) identifying new potential long-term or cornerstone investors; and (d) ensuring an appropriate Shareholder base for the Company going forward. <p>The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, any surplus Application Monies will be promptly refunded without interest.</p>	Section 2.7
Will any Securities be subject to escrow?	<p>Subject to the Company's Shares being reinstated to trading on the ASX, certain Securities in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement.</p> <p>The Securities likely to be subject to escrow are approximately 16,869,731 Consideration Shares (approximately 57.2%), all Performance Shares and all of the Securities to be issued under the Lead Manager Offer and Adviser Offer. The Company anticipates that upon re-admission of the Company to the Official List, assuming that the Public Offer is fully subscribed, approximately 17,494,731 Shares will be classified as restricted securities by ASX, which will comprise approximately 24.8% of the issued share capital upon Reinstatement. Shares offered under the Public Offer will not be subject to any escrow restrictions.</p>	Section 2.10
When will I receive confirmation that my application has been successful?	<p>The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. Holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment.</p>	Section 2.11

Topic	Summary	More information
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on growth of the businesses following completion of the Acquisition.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.</p>	Section 9.6
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers and the completion of an Application Form can be directed to the Company on +61 8 9482 0520.	Section 2.17





01

Transaction Overview



01 Transaction Overview

GTS is an Australian company formed in 2018. GTS is an entity focussed on developing and commercialising Graphene Projects primarily through its strategic partnership with UoA and the Graphene Hub.

1.1 The Acquisition

The Company has entered into the Share Sale Agreement and Ancillary SSAs with the shareholders of GTS (**GTS Vendors**) to acquire 100% of the issued capital of GTS. The Share Sale Agreement and Ancillary SSAs will complete contemporaneously.

GTS is an Australian company formed in 2018. GTS is an entity focussed on developing and commercialising Graphene Projects primarily through its strategic partnership with UoA and the Graphene Hub.

Under the Share Sale Agreement and the Ancillary SSAs, the Company will acquire all of the issued shares in GTS in consideration for the issue of 29,500,000 new Shares (**Consideration Shares**) to the GTS Vendors.

As part of the Acquisition, and to implement a more appropriate capital structure for the Company moving forward and to meet the ASX Listing Rule requirements, the Company will (subject to obtaining Shareholder approval at the General Meeting) undertake a consolidation of the Company's issued capital on a 200 to 1 basis (**Consolidation**).

Completion under the Share Sale Agreement is subject to satisfaction (or waiver) of certain condition precedents. Key remaining outstanding conditions precedent include:

- (a) the Company completing the Consolidation;
- (b) the Company raising a minimum of \$3,000,000 (before costs) through the issue of at least 15,000,000 Shares and a maximum of \$4,000,000 (before costs) through the issue of up to 20,000,000 Shares at an issue price of \$0.20 per Share via the Public Offer;
- (c) execution of all necessary Restriction Agreements required by ASX or the Listing Rules imposing such restrictions on trading of Shares as mandated by the Listing Rules;
- (d) the Company obtaining all third-party consents and regulatory approvals which may be required to undertake the Acquisition; and
- (e) the Company receiving a conditional re-listing letter from ASX advising that ASX will reinstate the Company's Shares to official Quotation on ASX on terms acceptable to the Company (acting reasonably).

Completion of the Share Sale Agreement (and Ancillary SSAs) will take place 5 business days after satisfaction or waiver of the conditions precedent (or such other date as the parties may agree). On completion of the Share Sale Agreement and Ancillary SSAs, the Company will acquire 100% of the issued capital in GTS in consideration for the issue of the Consideration Shares, and all existing Directors will resign, with the nominees of GTS (being Stephen Hunt, Thomas Spurling and Daniel Eddington) to be appointed to the Board.

The Share Sale Agreement contains additional provisions, including warranties and indemnities in relation to the status and operations of GTS which are considered standard for agreements of this kind.

1.2 Suspension and reinstatement on ASX

ASX has determined that the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's activities and therefore requires:

- (a) the approval of Shareholders (which the Company will seek to obtain at the General Meeting); and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

The Company's Securities are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in Listing Rule 1.3.



It is expected that the conduct of the Public Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to official quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List.

In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Public Offer and will repay all Application Monies received by it in connection with this Prospectus (without interest).

The Company will apply to ASX no later than 7 days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies received under the Public Offer will be refunded in full without interest in accordance with the Corporations Act.

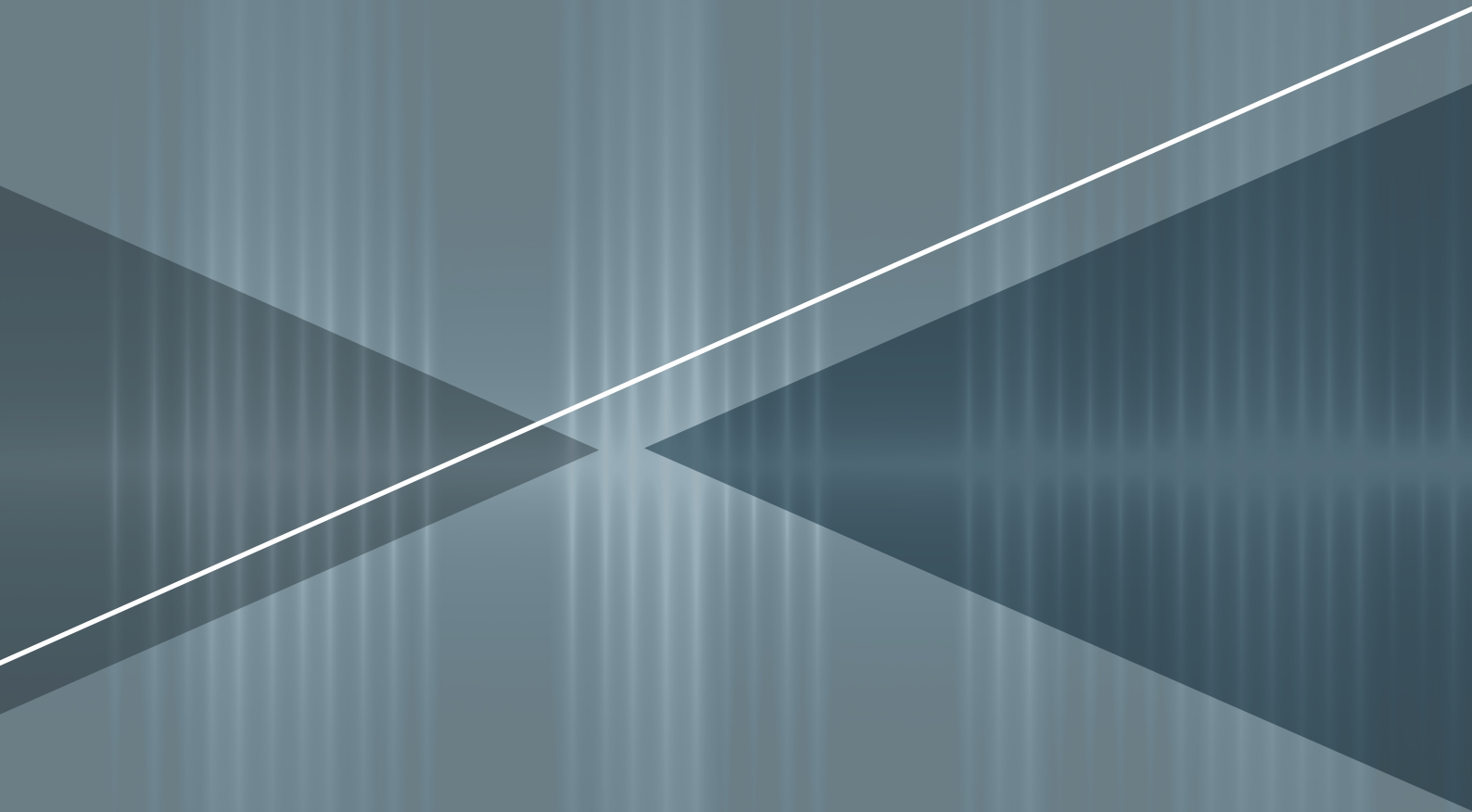
Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.3 General Meeting

The Company will hold the General Meeting primarily for the purpose of seeking the approval of Shareholders for a number of resolutions required to implement the Acquisition, including:

- (a) **Consolidation:** the approval for the consolidation of the Company's issued capital on a 200 to 1 basis;
- (b) **Change in nature and scale of activities:** the Company changing the nature and scale of its activities as a result of the Acquisition;
- (c) **Consideration Offer:** the issue of 29,500,000 Consideration Shares to the GTS Vendors (or their nominees) under the Consideration Offer (refer to Section 2.3(a));
- (d) **Public Offer:** the issue of up to 20,000,000 Shares at an issue price of \$0.20 each to raise up to \$4,000,000 (before costs) under the Public Offer (refer to Section 2.1);
- (e) **Related party participation:** approval for certain Directors and Proposed Directors to participate in the Public Offer (refer to Section 7.3);
- (f) **Lead Manager Offer:** approval to issue 250,000 Shares and up to 1,409,265 Options to Morgans (or its nominees) under the Lead Manager Offer (refer to Section 2.3(c));
- (g) **Adviser Offer:** approval to issue 375,000 Shares and 750,000 Options to Discovery Capital Partners (or its nominees) under the Adviser Offer (refer to Section 2.3(b));
- (h) **Appointment of Proposed Directors:** the appointment of Stephen Hunt, Thomas Spurling and Daniel Eddington as Directors (**Proposed Directors**) subject to completion of the Acquisition (refer to Section 7);
- (i) **Employee Incentive Securities Plan:** approval to adopt the Plan;
- (j) **Performance Shares:** the issue of 7,000,000 Performance Shares to the Proposed Directors and Key Management Personnel under the Plan as follows:
 - (i) 2,250,000 Performance Shares to Mr Tom Spurling (or his nominees);
 - (ii) 2,000,000 Performance Shares to Mr Stephen Hunt (or his nominees);
 - (iii) 2,000,000 Performance Shares to Mr Daniel Eddington (or his nominees); and
 - (iv) 750,000 Performance Shares to Mr Adrien Wing (or his nominees);
- (k) **Change of Company name:** approval of the change of the Company's name to "Sparc Technologies Limited"; and
- (l) **New Constitution:** approval to replace the Company's Constitution with a new Constitution.





02

Details of the Offers



02 Details of the Offers

2.1 Public Offer

(a) General

Pursuant to the Public Offer, the Company offers up to 20,000,000 Shares at an Offer Price of \$0.20 per Share to raise up to \$4,000,000 (before costs). The Public Offer is open to the general public.

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 9.1.

Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 2.6 for further details and instructions.

(b) Minimum subscription

The minimum level of subscription for the Public Offer is 15,000,000 Shares to raise a minimum of \$3,000,000 (before costs) (**Minimum Subscription**). If the Minimum Subscription has not been achieved within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Securities under this Prospectus and will repay all Application Monies in accordance with the Corporations Act.

(c) Purpose of the Public Offer

The purposes of the Public Offer are to:

- (i) (i) assist with the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules following a significant change to the nature and scale of the Company's activities; and
- (ii) provide funding for the purposes outlined in Section 3.7.

2.2 Lead Manager and Underwriter

The Company has appointed Morgans as the Lead Manager and Underwriter of the Public Offer. The Public Offer is underwritten by Morgans. A summary of the Underwriting Agreement, including the key terms of engagement of Morgans and the events which would entitle Morgans to terminate the Underwriting Agreement, are set out in Section 8.3(f). The Company has also entered into a mandate with Morgans dated 9 June 2020 under which Morgans has agreed to act as Lead Manager to the Public Offer on standard commercial terms. Refer to Section 2.8 for further information regarding the interests of Morgans in the Public Offer and the potential effect of the underwriting of the Public Offer.

2.3 Secondary Offers

The Company is also undertaking the Secondary Offers (described below) in connection with the Acquisition. The Secondary Offers are being made under this Prospectus for the purposes described below and also to remove the need for an additional disclosure document to be issued upon the sale of any Securities (or any Shares issued on exercise of any Options) that are issued under the Secondary Offers.

(a) Consideration Offer

This Prospectus also includes the Consideration Offer under which the Company offers 29,500,000 Shares (**Consideration Shares**) to the GTS Vendors (or their nominees) in consideration for the Acquisition.

The Consideration Shares to be issued pursuant to the Consideration Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1 of the Prospectus.



Applications for Consideration Shares under the Consideration Offer may only be made by the GTS Vendors (or their nominees) on the personalised Consideration Offer Application Form issued to the GTS Vendors together with a copy of this Prospectus, and must be completed and received by the Company on or before the Closing Date. The Company will only provide Consideration Offer Application Forms to persons entitled to participate in the Consideration Offer.

The GTS Vendors should refer to Section 2.6 for further details and instructions. No Application Monies are payable under the Consideration Offer.

(b) Adviser Offer

This Prospectus also includes the Adviser Offer, under which the Company offers 375,000 Shares and 750,000 Options to Discovery Capital Partners (or its nominees) in consideration for corporate advisory services provided to the Company (**Adviser Offer**).

The Shares to be issued pursuant to the Adviser Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1 of the Prospectus.

The Options to be issued pursuant to the Adviser Offer have an exercise price of \$0.30 each and expire three years from the date of issue. The terms and conditions of the Options are set out in Section 9.2 of the Prospectus.

Applications for Securities under the Adviser Offer as set out above may only be made by Discovery Capital Partners (or its nominees) on the personalised Adviser Offer Application Form issued to Discovery Capital Partners together with a copy of this Prospectus, and must be completed and received by the Company on or before the Closing Date. The Company will only provide Adviser Offer Application Forms to persons entitled to participate in the Adviser Offer.

Applicants for the Adviser Offer should refer to Section 2.6 for further details and instructions. Nominal Application Monies are payable under the Adviser Offer.

The Company expects all Shares and Options issued under the Adviser Offer will be escrowed for 24 months from Reinstatement in accordance with the Listing Rules.

(c) Lead Manager Offer

This Prospectus also includes the Lead Manager Offer, under which the Company offers 250,000 Shares and up to 1,409,265 Options to Morgans (or its nominees) in consideration for services provided to the Company by Morgans as Lead Manager and Underwriter to the Public Offer (**Lead Manager Offer**).

The Shares to be issued pursuant to the Lead Manager Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1 of the Prospectus.

The Options to be issued pursuant to the Lead Manager Offer have an exercise price of \$0.30 each and expire three years from the date of issue. The terms and conditions of the Options are set out in Section 9.2 of the Prospectus.

Applications for Securities under the Lead Manager Offer may only be made by Morgans (or its nominees) on the personalised Lead Manager Offer Application Form issued to Morgans together with a copy of this Prospectus, and must be completed and received by the Company on or before the Closing Date. The Company will only provide Lead Manager Offer Application Forms to persons entitled to participate in the Lead Manager Offer.

Applicants for the Lead Manager Offer should refer to Section 2.6 for further details and instructions. No Application Monies are payable under the Lead Manager Offer.

The Company expects all Shares and Options issued under the Lead Manager Offer will be escrowed for 24 months from Reinstatement in accordance with the Listing Rules.



02 Details of the Offers

2.4 Conditional Offers

The Offers under this Prospectus are conditional upon the following events occurring:

- (a) the Share Sale Agreement and the Ancillary SSAs becoming unconditional;
- (b) the Company raising the Minimum Subscription of at least \$3,000,000, under the Public Offer (refer to Section 2.1(b));
- (c) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing restrictions on Securities as mandated by the Listing Rules; and
- (d) ASX providing the Company with a list of conditions on terms acceptable to the Company (acting reasonably) which, when satisfied, will result in Reinstatement.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

2.5 Capital structure

The proposed pro forma capital structure of the Company following completion of the Offers and the Acquisition is as follows:

	Shares (Min)	% (Min)	Shares (Max)	% (Max)	Performance Shares	Options
Existing (pre-Consolidation)	4,067,651,670	-	4,067,651,670	-	-	312,500,000
Existing (post-Consolidation)	20,338,258	31.1	20,338,258	28.9	-	1,562,500 ⁽¹⁾
Public Offer ⁽²⁾	15,000,000	22.9	20,000,000	28.4	-	-
Consideration Offer	29,500,000	45.1	29,500,000	41.9	-	-
Adviser Offer ⁽³⁾	375,000	0.6	375,000	0.5	-	750,000
Lead Manager Offer ⁽⁴⁾	250,000	0.4	250,000	0.4	-	1,409,265 ⁽⁵⁾
Proposed Directors and KMP ⁽⁶⁾	-	-	-	-	7,000,000	-
Total	65,463,258	100	70,463,258	100	7,000,000	3,721,765⁽⁵⁾

NOTES

1. Comprising:
 - a. 212,500 Options exercisable at \$1.20 each on or before 5 December 2021;
 - b. 975,000 Options exercisable at \$0.30 each on or before 9 August 2023; and
 - c. 375,000 Options exercisable at \$0.30 each on or before 8 November 2020.
2. The Company is seeking to raise a minimum of \$3,000,000 (before costs) and a maximum of \$4,000,000 (before costs) under the Public Offer through an offer of a minimum of 15,000,000 and a maximum of 20,000,000 Shares at an issue price of \$0.20 per Share.
3. To be issued to Discovery Capital Partners (or its nominees) in consideration for corporate advisory services provided to the Company in respect of the Acquisition. The full terms and conditions of the Options are set out in Section 9.3.
4. To be issued to Morgans (or its nominees) in consideration for services provided to the Company as Lead Manager and Underwriter in respect of the Public Offer. The full terms and conditions of the Options are set out in Section 9.3.
5. This assumes the Maximum Subscription will be raised. In the event the Minimum Subscription is raised, the total number of Options issued under the Lead Manager Offer will be 1,309,265 and the total number of Options on Reinstatement will be 3,621,765.
6. The Performance Shares are to be issued to the Proposed Directors and Key Management Personnel (or their respective nominees). The full terms and conditions of the Performance Shares are set out in Section 9.2.
7. All figures are subject to rounding post-Consolidation.



2.6 Applications

(a) General

Applications for Shares under the Public Offer can be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. The Application Form must be completed in accordance with the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Company.

(i) **Option 1: Submit an Application Form with a cheque**

Investors may complete an Application Form which accompanies and forms part of this Prospectus and enclose a cheque, made payable to "Acacia Coal Limited" and crossed "Not Negotiable". Investors must mail both the Application Form (completed in accordance with the terms set out in the Application Form) and the cheque to the address set out on the Application Form by no later than the Closing Date.

(ii) **Option 2: Submit an online Application Form and pay with BPAY**

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (CRN) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (B) select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- (D) select which account payment is to be made from;
- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions set out in the Application Form and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

Completed Application Forms and any accompanying cheques or confirmation of electronic funds transfer must be received by the Company before 5.00pm (AEDT) on the Closing Date by either being posted to the following addresses:

Acacia Coal Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235



02 Details of the Offers

An original, completed and lodged Application Form together with a cheque for the Application Monies (if applicable), constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (i) agrees to be bound by the terms of the relevant Offer;
- (ii) declares that all details and statements in the Application Form are complete and accurate;
- (iii) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (iv) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (v) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (vi) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

The Public Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Public Offer or accept late Applications.

(b) Public Offer

Applications under the Public Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 2,500 Shares (\$500).

Applications for Shares under the Public Offer must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to the relevant Application Form for further details and instructions.

(c) Consideration Offer

Only the GTS Vendors or their respective nominees may accept the Consideration Offer. The Company will only provide an Application Form in relation to the Consideration Offer to the GTS Vendors, together with a copy of this Prospectus. No monies are payable for the Securities under the Consideration Offer.

(d) Adviser Offer

Only Discovery Capital Partners or its nominees may accept the Adviser Offer. The Company will only provide an Application Form in relation to the Adviser Offer to Discovery Capital Partners, together with a copy of this Prospectus. Nominal Application Monies are payable for the Options under the Adviser Offer.

(e) Lead Manager Offer

Only the Lead Manager or its nominees may accept the Lead Manager Offer. The Company will only provide an Application Form in relation to the Lead Manager Offer to the Lead Manager, together with a copy of this Prospectus. No monies are payable for the Securities under the Lead Manager Offer.



2.7 Allocation and allotment of Shares under the Public Offer

The Directors, in consultation with the Lead Manager and Underwriter, will allocate Shares under the Public Offer at their sole discretion with a view to:

- (a) obtaining an appropriate spread of Shareholders to satisfy Listing Rule 1.1 condition 8;
- (b) recognising the ongoing support of existing Shareholders and the GTS Vendors;
- (c) identifying new potential long-term or cornerstone investors; and
- (d) ensuring an appropriate Shareholder base for the Company going forward.

The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, any surplus Application Monies will be promptly refunded without interest.

Subject to the satisfaction of the conditions of the Public Offer, the allotment of Shares will occur as soon as practicable after the Public Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their holding statement will do so at their own risk. There is no assurance that any Applicant will be allocated any Shares for which the Applicant has applied.

2.8 Advisers' interests in the Public Offer

(a) Lead Manager and Underwriter

As set out in Section 8.3(f), Morgans will, in consideration for services provided as Lead Manager and Underwriter in relation to the Public Offer, receive a management fee equal to 1% and an underwriting fee equal to 5% of the gross proceeds of the Public Offer (before any costs, expenses or other deductions or payments) and the Company will issue to Morgans (or its nominees) 250,000 Shares and up to 1,409,265 Options (subject to Shareholder approval). The terms and conditions of the Options are set out in Section 9.3.

As at the date of this Prospectus, Morgans (and its associates) do not hold a relevant interest in the Company's Securities. The extent to which Shares are issued pursuant to the underwriting will increase the Underwriters' voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below.

Event	Shares held by Underwriter	Voting power of Underwriter (%)	Options
Date of Prospectus	Nil	Nil	Nil
Completion of Offers	250,000	0.35	1,409,265
Fully subscribed	250,000	0.35	-
0% subscribed	20,250,000	28.74	-

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Public Offer. However, it is unlikely that no investors, other than the Underwriter, will take up Shares under the Public Offer. The underwriting obligation, and therefore voting power of the Underwriter, will reduce by a corresponding amount for the amount of Shares under the Public Offer taken up by investors. The Underwriter has advised the Company that it intends to allocate Shares from its underwriting allocation to its nominated investors to ensure neither it, nor its nominated investors, acquire more than a 20% shareholding in the Company on Reinstatement.

As outlined within the Investigating Accountant's Limited Assurance Report (see Annexure A), the Options have a fair value of \$0.0828 per Option (being a total value of \$116,733).

Other than as detailed above, Morgans (and its associates) have not participated in a placement of Securities by the Company in the two years preceding lodgement of this Prospectus.



02 Details of the Offers

(b) Corporate Adviser

As set out in Section 8.3(g), in consideration for providing corporate advisory services to the Company, the Company has agreed to pay Discovery Capital Partners (or its nominees) a fee of \$75,000 payable in Shares equivalent to 375,000 Shares at the issue price of the Public Offer and issue to Discovery Capital Partners (or its nominees) 750,000 Options (subject to Shareholder approval). The terms and conditions of the Options are set out in Section 9.3.

As at the date of this Prospectus, Discovery Capital Partners (and its associates) hold a relevant interest in 12,734 Shares (on a post-Consolidation basis). Assuming neither Discovery Capital Partners nor its associates take up Shares under the Public Offer (other than Mr Adam Santa Maria, who intends to subscribe for up to 375,000 Shares under the Public Offer), Discovery Capital Partners and its associates will have a relevant interest in 762,734 Shares upon Reinstatement (which represent 1.17% of all Shares upon Reinstatement, on a Minimum Subscription basis) and 1,175,000 Options (which represent 31.6% of all Options on issue upon Reinstatement and 1.45% of all Securities on issue upon Reinstatement on a Maximum Subscription basis). As outlined within the Investigating Accountant's Limited Assurance Report (see Annexure A), the Options have a fair value of \$0.0828 per Option (being a total value of \$62,124).

In October 2018, Mr Adam Santa Maria (a director of Discovery Capital Partners) purchased 1,273,400 Shares in consideration for \$1,273.40 pursuant to his participation in the Company's non-renounceable entitlement offer announced on 27 August 2018.

Other than as detailed above, Discovery Capital Partners (and its associates) have not participated in a placement of Securities by the Company in the two years preceding the date of this Prospectus.

2.9 Application Monies to be held in trust

The Application Monies for Shares to be issued pursuant to the Public Offer will be held in a separate bank account on behalf of Applicants until the Shares are allotted. If the Shares to be issued under this Prospectus are not admitted to official quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Shares issued will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

2.10 Escrow arrangements

Subject to the Company's Shares being reinstated to trading on the ASX, certain Securities in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Reinstatement. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

Shares offered under the Public Offer will not be subject to any escrow restrictions.

The Securities likely to be subject to escrow are approximately 16,869,731 Consideration Shares (approximately 57.2%), all Performance Shares and all of the Securities to be issued under the Lead Manager Offer and Adviser Offer. The Company anticipates that upon Reinstatement of the Company to the Official List, assuming that the Public Offer is fully subscribed, approximately 17,494,731 Shares will be classified as restricted securities by ASX, which will comprise approximately 24.8% of the issued share capital upon Reinstatement.

Prior to the Company's Shares being reinstated to trading on the ASX, the Company will enter into Restriction Agreements with the recipients of the restricted securities or issue escrow notices in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow.



2.11 CHESS and issuer sponsorship

The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

2.12 Reinstatement and Official Quotation

Within seven days after lodgement of this Prospectus, the Company will apply to ASX for re-admission to the Official List of ASX and for the Shares, including those offered by this Prospectus, to be granted official quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for official quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC), none of the Securities offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

2.13 Risks

As with any investment in securities, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 5 of this Prospectus. The Securities offered under this Prospectus should be considered highly speculative. Accordingly, before deciding to invest in the Company, Applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

2.14 Overseas investors

An offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the offer. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia.



2.15 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to Security holders, and to carry out various administrative functions.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your 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.

If the information requested is not supplied, the Company may not be able to process your application for Securities. By submitting an Application Form, you agree that the Company may use the information provided by you on the Application Form for the purposes set out herein and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

A Security holder has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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.

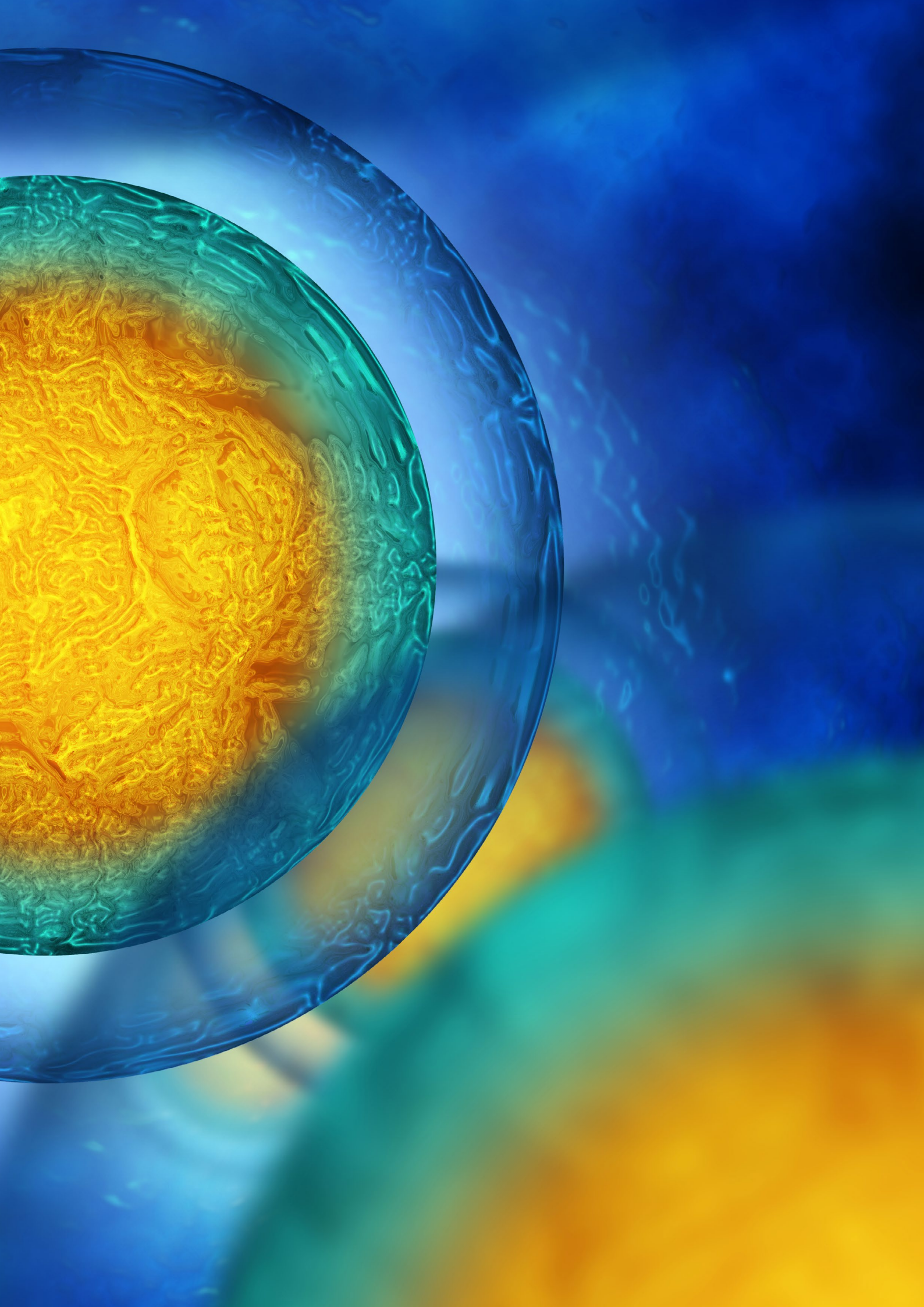
2.16 Taxation

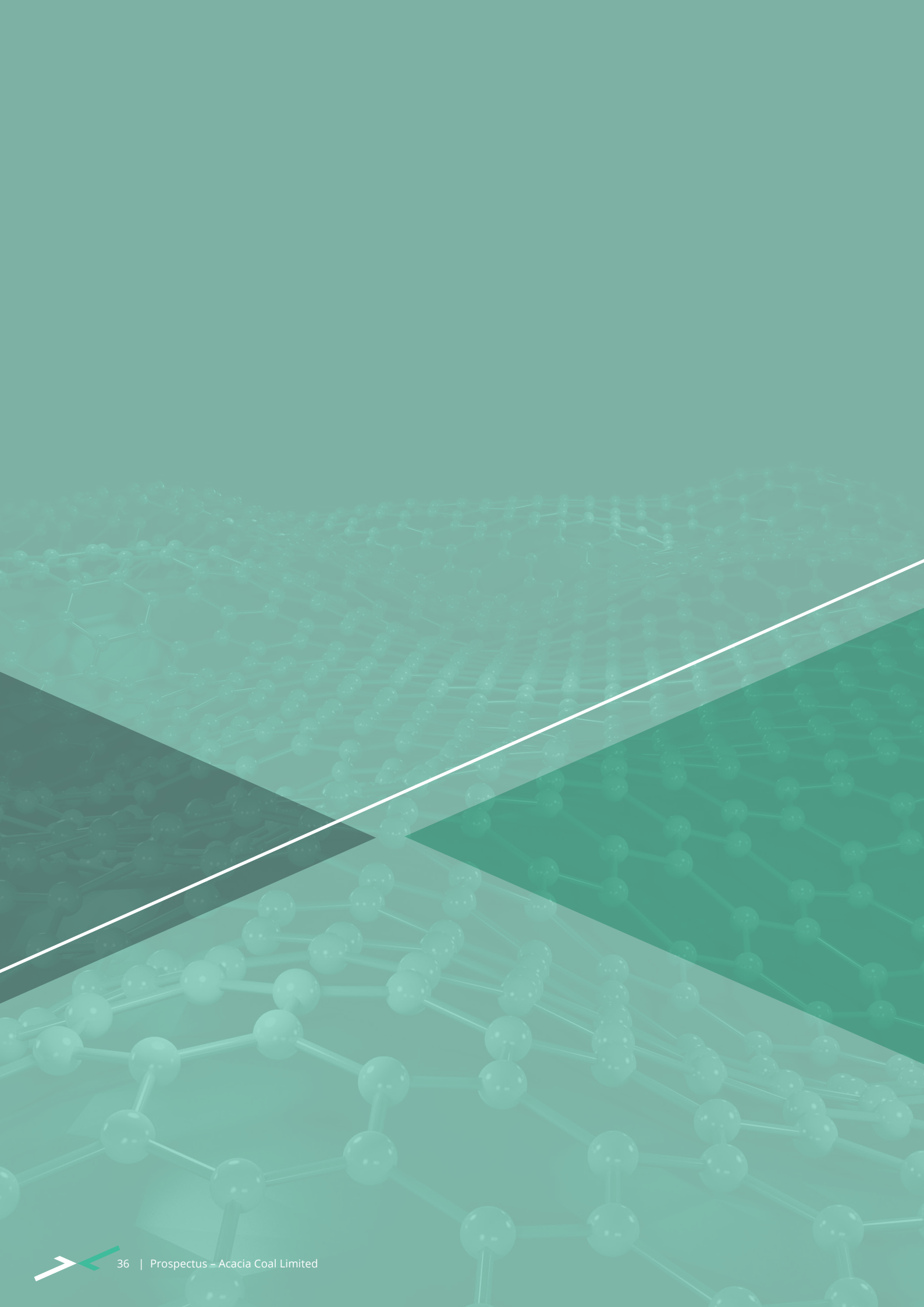
It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.17 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Securities under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company on +61 8 9482 0520 or bdonovan@ventnorcapital.com.





03

Overview of the Company, GTS and the Merged Group



03 Overview of the Company, GTS and the Merged Group

GTS is an entity focussed on developing and commercialising Graphene Projects primarily through its strategic partnership with the University of Adelaide and the Australian Graphene Hub established in South Australia.

3.1 Existing activities of the Company

The Company was incorporated in Western Australia in 1984 and was admitted to the Official List on 3 July 1986. The principal activities of the Company have previously consisted of mineral exploration and development at its Mt Bruce Project (which was surrendered in June 2020) and Mt Windarra Project (which the Company intends to divest following re-admission to the ASX).

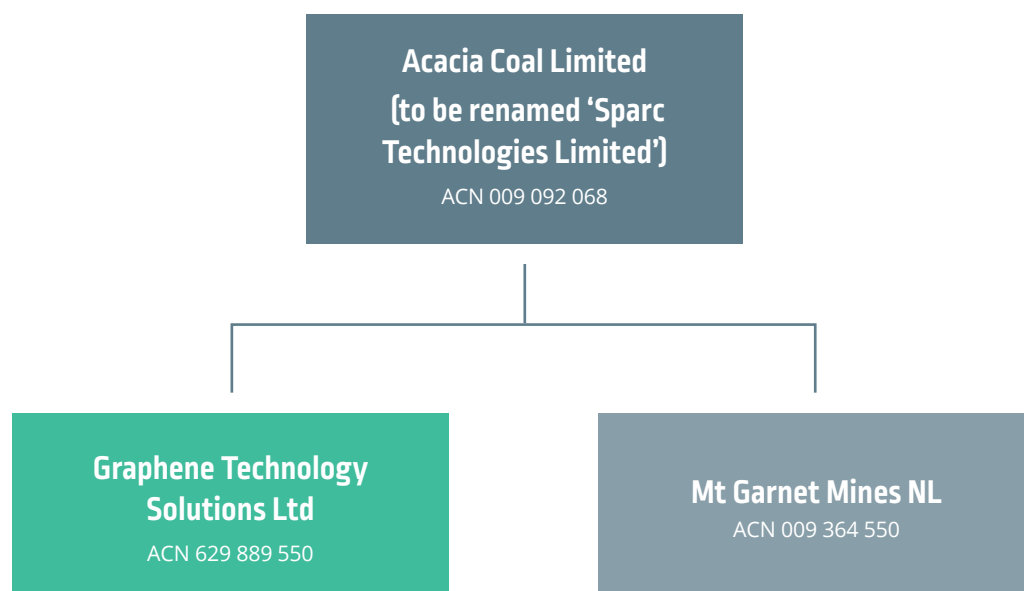
On 22 July 2020, the Company announced that it had entered into the Share Sale Agreement with GTS and key shareholders of GTS, whereby the Company will, on the satisfaction of various conditions precedent, acquire 100% of the issued capital of GTS.

GTS is an entity focussed on developing and commercialising Graphene Projects primarily through its strategic partnership with the University of Adelaide and the Australian Graphene Hub established in South Australia. Further information in respect of GTS is set out in Section 3.3.

On completion of the Acquisition, the primary undertaking of the Company will be to operate the GTS business.

3.2 The Merged Group

On completion of the Acquisition, GTS will become a wholly owned subsidiary of the Company, which will be renamed “Sparc Technologies Limited”, and the Company’s main undertaking will be to operate the GTS business and pursue its growth strategy. The corporate structure of the Merged Group will be as follows:



3.3 About GTS

[a] Overview of GTS

GTS is an entity focussed on developing and commercialising graphene projects primarily through its strategic partnership with the University of Adelaide (UoA) and the Australian Graphene Hub established in South Australia. In particular, GTS is focussed on enhancing products with graphene in the following areas:

- (i) marine and protective coatings;
- (ii) metals recovery from tailings;
- (iii) soil remediation; and
- (iv) environmental remediation and water purification products,

(together, the **Graphene Projects**).

The Graphene Projects were initially developed by UoA and have been laboratory tested in application by UoA and the Graphene Hub, and are now under development for full commercialisation.

GTS is a public company and was founded in November 2018 in order to commercialise particular graphene based projects researched and developed by the UoA. Specifically, GTS has the exclusive and royalty free licence, through the Technology Licence Agreement to commercialise particular graphene applications developed by UoA. As set out in Section 8.2[a]:

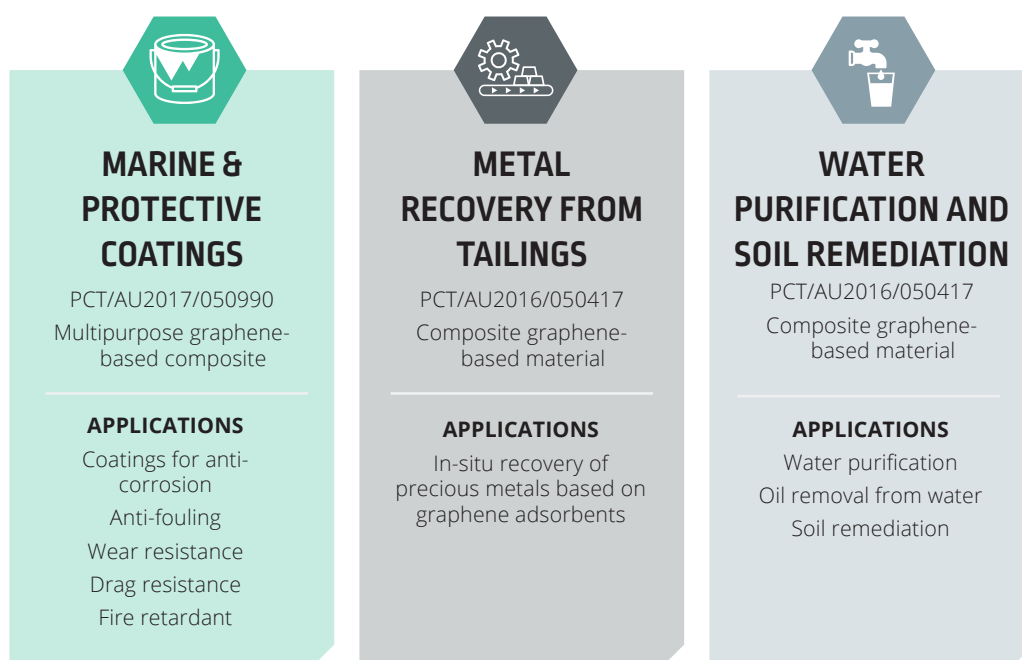
- (i) UoA has received shares in GTS under the Technology Licence Agreement; and
- (ii) GTS has project funding obligations under the Technology Licence Agreement, which can be satisfied through its obligations to fund the Graphene Projects with UoA (for further details, refer to Sections 8.2(a) to 8.2(d)).

Currently, UoA is a substantial shareholder in GTS, with an approximate 13% shareholding prior to the Acquisition and Public Offer and an anticipated approximate holding of 5.9% in the Company upon completion of the Acquisition and Public Offer (assuming the Minimum Subscription is achieved).

In addition, GTS has been granted preferred partner status by UoA under the Strategic Partnership Agreement. The Agreement provides GTS with the first right of offer, to commercialise additional intellectual property (including patents) of UoA, which are not already encumbered by a third party.

(b) Current level of operations

The Graphene Projects of GTS, their respective applications and the corresponding patent families licensed under the Technology Licence Agreement are set out below:



Further details regarding the intellectual property licensed to GTS by UoA are set out in Section 8.2(a) and the Intellectual Property Report in Annexure B.

All work is currently undertaken at UoA, however subject to completion of the Acquisition and Public Offer, GTS intends to secure its own premises to perform much of the development work. Currently all of GTS's work is performed by UoA and the GTS team which currently comprises of 5 contractors and 2 part time employees.

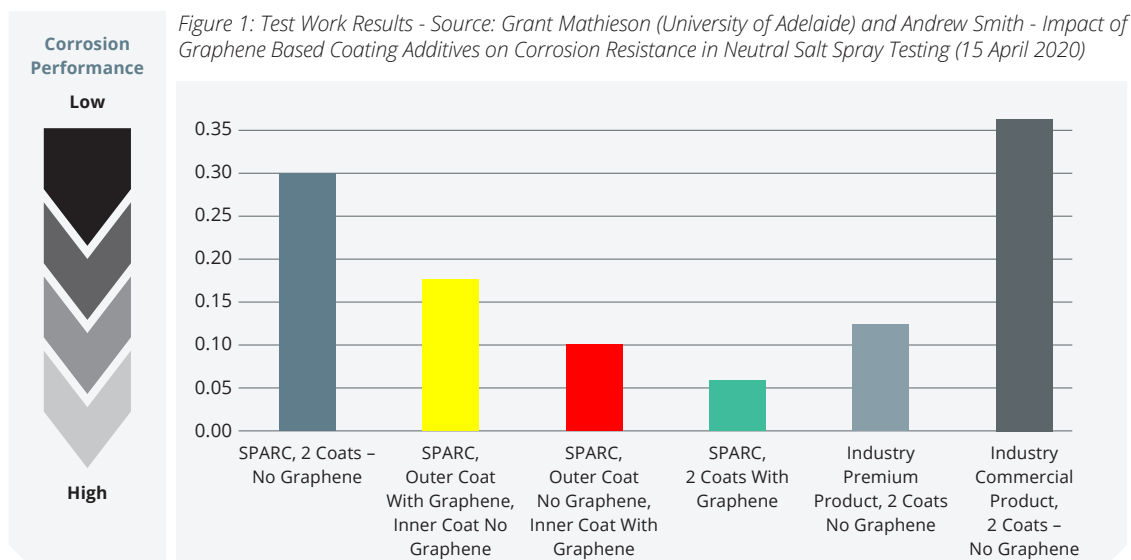
GTS does not need to acquire any material land or further intellectual property rights to conduct its business following Completion.

A summary of the intellectual property held by GTS is summarised in the Intellectual Property Report in Annexure B. The Intellectual Property Report has been prepared by Luke Dale, a partner of HWL Ebsworth Lawyers. Luke Dale specialises in intellectual property law, has 18 years of post-admission experience and has a Bachelor of Laws (Hons), Bachelor of Commerce and a Graduate Diploma in Legal Practice.

(i) Marine and Protective Coatings

Patent Family: PCT/AU2017/050990

GTS is currently developing graphene enhanced protective technologies including corrosive resistance coatings under the Research Agreement with UoA (see Section 8.2(d)). The object of this project is to develop a graphene based additive to improve the performance of anti-corrosive coatings used in marine and other protective coating applications.



GTS, in conjunction with UoA, has conducted test work early in 2020 aimed at determining appropriate graphene variants and concentrations best suited to enhance the performance of corrosion resistant coatings used in industrial and marine applications. Various versions of the experimental epoxy coating (**SPARC Base Formulation**) were applied in two coats at 150 microns dry film thickness per coat (total 300 microns) to prepared steel panels, with current commercial coatings being included as points of reference. The panels were subjected to a period of exposure to neutral salt spray (in accordance with ISO 9227) whereafter corrosion performance was evaluated using scribe corrosion creep measurements (in accordance with ISO 12944). This is a key measurement used in the coatings industry to determine comparative protection provided by coating systems, where a lower corrosion creep reading indicates better performance.

Figure 1 above demonstrates the average corrosion creep value (as shown on the y-axis in millimetres) where:

- (A) **SPARC 0/0 (light blue)**: represents two coats of the Sparc Base Formulation, with both the interior and exterior coats containing no graphene additive;
- (B) **SPARC 1/0 (yellow)**: represents an exterior coat containing a graphene additive added to the Sparc Base Formulation. The interior coat was the Sparc Base Formulation with no graphene additive;
- (C) **SPARC 0/1 (red)**: represents an interior coat containing a graphene additive added to the Sparc Base Formulation. The exterior coat was the Sparc Base Formulation with no graphene additive;
- (D) **SPARC 1/1 (green)**: represents a graphene additive present in both coats;
- (E) **Industry Premium Product (grey)**: represents an industry standard premium grade product that does not contain graphene but which is considered the industry benchmark for marine anticorrosive coatings; and
- (F) **Industry Commodity Product (dark blue)**: represents a low cost commodity grade commercial epoxy coating that does not contain graphene, which is similar in composition to the experimental Sparc Base Formulation.

The results obtained to date indicate the potential for graphene based additives to enhance the properties of coating system, and demonstrate anti-corrosive performance improvements against existing premium anti-corrosive coatings that are currently on the market.

This test work has been conducted in accordance with the testing requirements of ISO 12944, but has not been published, independently verified by a third party or peer reviewed.



The next steps required in order to reach commercialisation are to undertake additional test work to create more robust data that can then be used to further discussions with global coatings companies. At this stage, GTS does not have any commercial agreements with coatings companies.

It is GTS's plan to produce a Graphene additive product for coatings, or licence Graphene coatings technology to a global coatings producer.

(ii) **Metal recovery from tailings**

Patent Family: PCT/AU2016/050417

In January 2020, UoA commenced a project with the Graphene Hub under the GEIT Hub Collaboration Agreement to develop graphene based adsorbents and technologies. The commercial application of the project will be the recovery of metals from industrial tailings.

"Tailings" are the materials left over after the process of separating the valuable metals from ores in a mining operation. Depending on mining methods used, tailings generally include residual proportions of valuable metals.

UoA is listed as the project participant and GTS is the only listed partner organisation to the project.

The metal recovery from tailings project aims to develop new concepts and technology for in-situ recovery of precious metals based on specially designed graphene adsorbents.

The metal recovery project has a planned completion date of January 2022. Under the Collaboration Agreement, all project intellectual property (being all intellectual property developed in the course of undertaking activities in connection with a Project) shall be owned by one or more of the participants in the relevant Project.

At completion of the metal recovery project, GTS aims to have a prototype of a lab scale unit to demonstrate the process of adsorption and recovery from water samples reflecting real conditions. With the creation data of precious metals recovery rates, industry partners will be approached to purchase Graphene absorbent materials produced by GTS, or GTS will look to license the technology.

(iii) **Water Purification and Soil Remediation**

Patent Families: PCT/AU2016/050417

On 2 October 2019, GTS committed to spend \$180,000 in the Graphene Hub from 1 July 2019 until 30 June 2022.

The objective of the water purification project will be to improve currently developed products using commercial foam modified with graphene in order to improve the robustness and scalability to remove oil from water. The project participants of the water purification project are UoA and GTS.

At the end of the water purification project, the project participants' aim to have a graphene foam that has been tested at a lab scale, which can be used to engage industry partners for commercialisation.

On 2 October 2019, GTS committed to spend \$180,000 in the development of a soil remediation project. The project participants of the soil remediation project are UoA and GTS.

Many industrial processes such as mining and oil production yield naturally occurring toxic heavy metals and radioactive materials which contaminate soils, sediments and water, which requires costly decontamination. The project participants aim to develop a novel graphene based adsorbent for the efficient removal and destruction of contaminants. Of particular focus is the containment and destruction of PFAS. The current intention is to consider the selling of adsorbents in pre-packed columns, or portable turnkey treatment solutions.

Under the GEIT Hub Collaboration Agreement, all project intellectual property (being all intellectual property developed in the course of undertaking activities in connection with a Project) shall be owned by one or more of the participants in the relevant Project.



(c) Graphene Supply

In order to conduct its operations, GTS requires access to graphene. At present, GTS sources graphene from a supplier headquartered in Taiwan with operations in China. GTS has purchased sufficient graphene to meet its operational requirements for approximately the next 12 months. To date, the COVID-19 pandemic has not adversely impacted GTS' ability to source graphene from China. In addition to China, GTS is also able to source commercial quantities of graphene from suppliers in Australia. GTS has also sourced small quantities of graphene from UoA for research purposes.

As set out in Section 3.6, funds raised under this Prospectus will be attributed to undertaking a feasibility study into the establishment of graphene production facilities in South Australia.

(d) Competitors

The Graphene industry is a new and developing industry. As such, there are a relatively small number of companies in Australia and globally specialising in graphene production and graphene enhanced products. Given the incredibly wide range of industries and products that graphene enhanced products can potentially be used in, it is believed that there are a multitude of opportunities for graphene focused companies, including the graphene products under development by GTS and competition is low. Displacing existing technologies and products will also be competitive, however given graphene's exceptional and potentially disruptive attributes, the Company believes that there is potential that in many areas, those existing products may be displaced.

(e) Growth strategy

Subject to completing the Public Offer, in relation to the products under development by GTS described in this Section 3.3, Sparc intends to:

- (i) undertake a scoping study in respect of the production of graphene and graphene additive products in commercial quantities;
- (ii) design and construct graphene commercial production facilities, including laboratory equipment;
- (iii) undertake a feasibility study into the establishment of larger scale graphene production facilities in South Australia;
- (iv) build and resource the technical and commercial team required to implement the strategy;
- (v) commercialise the Graphene Projects, following the results of the research and development conducted by UoA and the Graphene Hub:
 - (A) develop industry partner/customer relationships within the field of the Graphene Projects initially through the establishment of non-binding technical agreements, leading to binding commercial off-take agreements and/or licence technology to industry partners; and
 - (B) undertake ongoing marketing of the graphene additive products.



3.4 Consideration for Acquisition

The Board considers that the quantum of Consideration Shares to be issued for the Acquisition reflects reasonable fair value of GTS in view of the Company having conducted arm's length negotiations with representatives of GTS to arrive at the commercial terms of the Acquisition.

In determining the consideration for the Acquisition, the Company also took into account the following considerations:

- (a) internal revenue and profit forecasts of GTS. However, those forecasts cannot be stated publicly as they do not comply with ASIC guidelines (in particular, ASIC Regulatory Guide 170 which requires directors to have a reasonable basis for disclosing forecast financial information);
- (b) third party transactions in the graphene industry alongside the rapid and recent successes of the other small number of companies in Australia and globally specialising in graphene production and graphene enhanced products;
- (c) the experience and strengths of the Proposed Directors and incoming management; and
- (d) the Board's assessment of the future prospects of GTS based on the current level of its operations, adaptability to industry demands and the significant growth forecast in the GTS initial target industries (as set out in Section 4).

As with the acquisition of any growth business or asset that does not have a stable track record of revenue and profitability, there is not always an appropriate formal valuation methodology (e.g. discounted cash flow) available when determining the purchase price. As such, the Company did not adopt a particular formal valuation methodology but rather the Company undertook a comparable transaction approach and was required to take into account qualitative factors such as those set out above in coming to a decision on price.

The Board is of the opinion that the opportunity presented under the Acquisition represents an opportunity that is in the best interests of current Shareholders of the Company and was involved in a lengthy negotiation process prior to executing the Share Sale Agreement.

The opportunity structured and presented under the Acquisition presents Shareholders with the opportunity to hold a position in a unique business with an opportunity for growth.

The Company's entry into the Share Sale Agreement followed an extensive search for potential acquisition assets by the existing Directors.

The existing Directors have spent significant time and resources identifying and conducting due diligence on a number of potential acquisition opportunities in a range of sectors. Following the identification of GTS as a potential acquisition, Directors Adam Santa Maria and Logan Robertson travelled to South Australia to visit and conduct due diligence on the GTS businesses, meet the Proposed Directors and senior management of GTS and conduct negotiations. As noted in Section 3.1, the primary role of the existing Directors was to identify and implement a transaction to facilitate the reinstatement of the Company's securities to the Official List, and delivering value for shareholders. As such, on completion of the Acquisition, all existing Directors will resign and be replaced by Messrs Hunt, Spurling and Eddington.

3.5 Board of Directors

On completion of the Acquisition, all existing Directors will resign and the following persons will be appointed to the Board:



Mr Stephen Hunt – proposed Executive Chairman

Mr Hunt has over 17 years' experience as a Director of ASX listed companies. Mr Hunt is currently a non-executive director of ASX listed company, American Pacific Borate Ltd (ASX: ABR). Previous directorships include, Executive Chairman and Non Executive Director of Volt Resources Ltd, (ASX: VRC), Magnis Resources Ltd (ASX: MNS), IMX Resources Ltd (now Indiana Resources Limited) and Australian Zircon Ltd. Mr Hunt is a member of the Australian Institute of Company Directors (MAICD) and holds a Bachelor of Business (Marketing) from the University of South Australia. Mr. Hunt is currently Chairman of GTS.



Mr Thomas Spurling – proposed Managing Director

Mr Spurling has 35 years of executive experience serving in a range of roles and is an accomplished international manager and leader with particular expertise in leading growth initiatives into overseas markets for Australian companies and subsequent operations for medical technologies and devices and complex electro optical systems. Mr Spurling has held the position of CEO of Ellex Medical Lasers Limited (ASX:ELX) between 2011 and 2019. Mr Spurling holds a Bachelor of Economics from the University of Adelaide. Mr Spurling is currently Managing Director of GTS and is a Non-Executive Director of Nova Eye Medical Limited (ASX:EYE).



Mr Daniel Eddington – proposed Non-Executive Director

Mr Eddington has over 20 years' experience in financial markets with experience across multiple sectors including the resource, energy and industrial sectors. Mr Eddington specialises in equity capital markets and has been responsible for IPOs, placements, reverse takeovers, underwritings, corporate negotiations and corporate advisory for companies predominantly in the resources sector. Mr Eddington holds a Bachelor of Commerce from the University of South Australia and Graduate Diploma Finance from FINSIA. Mr Eddington is currently a director of GTS.

3.6 Key Personnel



Mr Andrew Smith - technical consultant

Mr Smith is a development chemist specialising in heavy duty coatings, specifically, the development and testing of anti-corrosive coatings. Mr Smith has held senior regional technical management roles for AkzoNobel N.V. (**AkzoNobel**) (a world leader in coatings with brands including International, Chartek, Sikkens, Awlgrip, Devoe) in Australia, Asia and the Americas. These roles involved responsibility for product development, testing and integrity, as well as technical support functions. Mr Smith most recently has been involved in implementing major restructuring initiatives for AkzoNobel, including rationalisation of manufacturing capability in the South Asia region. Mr Smith left AkzoNobel in September 2018 and is currently engaged by GTS as a consultant.



3.7 Proposed use of funds

Following the Public Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	Amount \$
Existing cash reserves ¹	2,250,000
Cash reserves of the GTS ²	50,000
Proceeds from the Public Offer	
Minimum Subscription	3,000,000
Maximum Subscription	4,000,000
Total funds available	
Minimum Subscription	5,300,000
Maximum Subscription	6,300,000

NOTES

1. Refer to the Independent Limited Assurance Report contained in Annexure A for further details.
2. The cash reserves of GTS are to be acquired by the Company following completion of the Acquisition. Refer to the Independent Limited Assurance Report contained in Annexure A for further details.

The Company intends to apply funds raised from the Public Offer as follows:

Use of Funds	\$ (Min)	% (Min)	\$ (Max)	% (Max)
Costs of the Offers	410,000	8	470,000	7
Corporate administration	1,000,000	19	1,000,000	16
Research and development	1,000,000	19	1,300,000	21
Construction of graphene production facilities and production costs (includes Feasibility Study \$500,000)	1,400,000	26	1,900,000	30
Marketing and business development	690,000	13	730,000	12
Working capital	800,000	15	900,000	14
Total	5,300,000	100	6,300,000	100

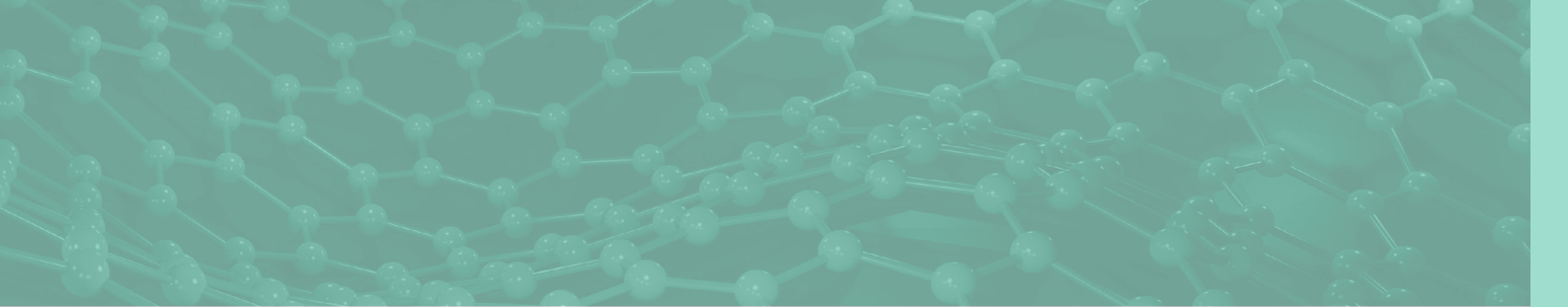
NOTES

1. Working capital incorporates administration and operating costs.

The above table is a statement of the Board's current intentions as at the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including:

- (a) the risk factors outlined in Section 5; and
- (b) the outcome of operational activities, regulatory developments and market and general economic conditions.

In light of this, the Board reserves the right to alter the way the funds are applied.



The Board is satisfied that upon completion of the Public Offer, the Company will have sufficient working capital to meet its stated objectives.

The Company notes there is no certainty as to when or to what extent any Options will be exercised. Depending on the amount raised (if any) from the exercise of any Options, the Directors' current intention is to apply funds towards:

- (a) further marketing and business development; and
- (b) general working capital, including identifying, pursuing and developing other revenue opportunities.

3.8 Voting power of GTS Vendors

As detailed in Sections 9.5 and 2.5, on Completion, it is expected that the GTS Vendors will hold approximately 45.1% of the issued capital in the Company on a Minimum Subscription basis and 41.9% on a Maximum Subscription basis and that, Stephen Hunt and UoA (together with their respective associates) will each be a substantial shareholder in the Company (with an anticipated 12.31% and 5.9% interest in Shares respectively) on a Minimum Subscription basis. No GTS Vendor (together with any associates) will hold more than 20% of the issued capital of the Company on completion of the Acquisition.





04

Market Overview

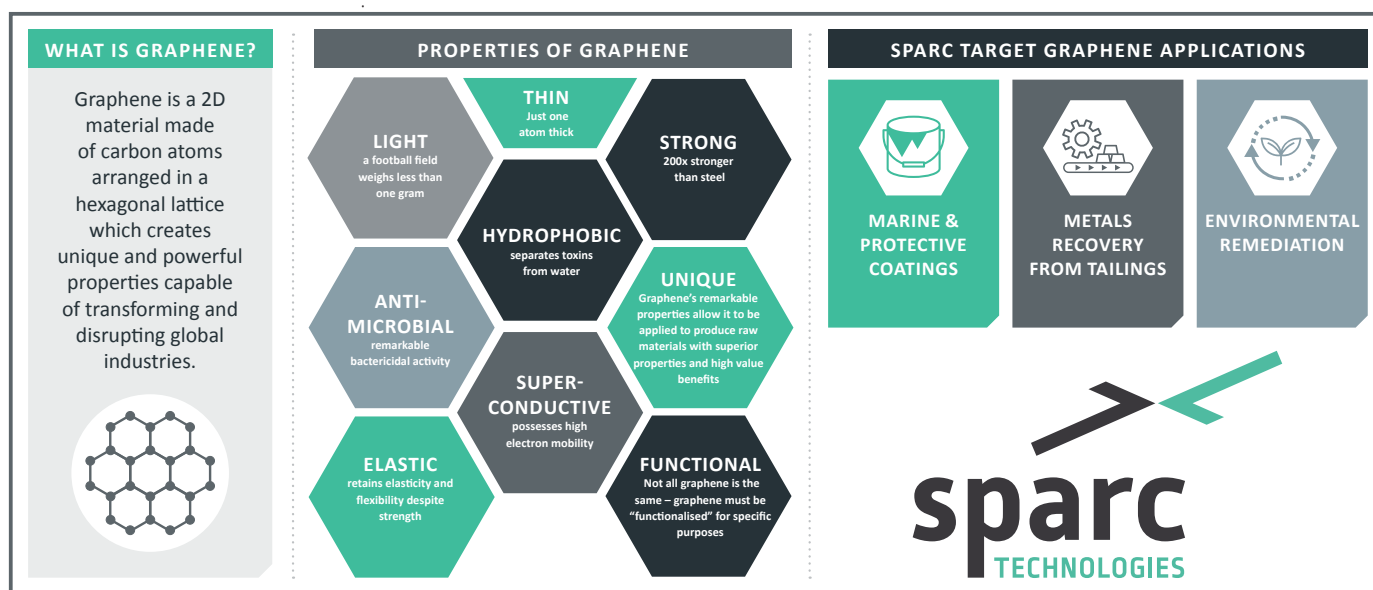


04 Market Overview

4.1 What is Graphene and the Graphene Market

Graphene is a two-dimensional, one-atom-thick, layer of carbon atoms arranged in a hexagonal lattice. It is the building-block of graphite (which is used, among others things, in pencil tips), but graphene is a remarkable substance on its own - with a multitude of properties. With attributes that seemed unimaginable a few years ago, new materials utilising graphene's properties are rapidly coming to market. Overall, they are lighter, stronger, recyclable and adaptive. Graphene has potential to significantly disrupt many products within the manufacturing and infrastructure industries.

Since its discovery in 2004 by Nobel Prize winners Andre Geim and Konstantin Novoselov¹, research has shown that graphene is the lightest, strongest, most electrically conductive substance on earth. To date, more than 53,000 graphene technology patents have been filed². Graphene's exceptional properties have the potential to revolutionise everyday products such as batteries, sensors, water purification systems and have the potential to be used to create smart devices and structures.



“Sparc will initially target the key uses of graphene, including marine, protective coatings, metals recovery from tailings and environmental remediation, as described in Section 3.3”

¹ Geim AK, Novoselov KS (2007) Nature Materials, 6: 183-191

² Yang, X.; Yu, X.; Liu, X. Obtaining a Sustainable Competitive Advantage from Patent Information: A Patent Analysis of the Graphene Industry. Sustainability 2018, 10, 4800.



The global marine coatings markets was valued at US\$7.35 billion in 2018, and is expected to reach US\$9.24 billion in 2025.³

4.2 Marine and protective coatings

Graphene coatings can be created to become hydrophobic, conductive, and/or chemically resistant. It is the intention of GTS to make graphene enhanced marine and protective coatings a viable and preferred option in replacing existing coatings solutions.

Initial target markets will primarily be focussed on marine coatings in commercial and recreational boating and marine services, alongside protective coatings targeting industrial workplaces and sites, including oil and gas, mining, power and infrastructure.

(a) Marine Coatings Market

Marine coatings are a type of protective coating used mostly in the marine environment to protect ships, vessels, tankers, and other materials from saline water or fresh water. A marine coating has specific functional properties, and is generally added to provide superior protection to the surfaces to which it is applied. This coating protects submerged materials as well as vessels, ships, or yachts from sea water.

The global marine coatings markets was valued at US\$7.35 billion in 2018, and is expected to reach US\$9.24 billion in 2025.³ Market demand is driven primarily by environmental regulations mandated by organizations such as REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and the US EPA (United States Environmental Protection Agency) and specifications provided by the IMO (International Maritime Organization) that restrict the use of environmentally harmful chemicals, as well as increasing awareness among sea bearing customers regarding both environmental impact and fuel economy of their vessels. The global marine coatings market is highly consolidated among five global participants with long-term customer relationships and highly regarded products and service offerings enabling them to maintain their market positions. Regional and local suppliers gain market share through their wider local reach to end-customers. Manufacturers need to maintain strong product portfolios and invest continuously in new product development to address the changing market needs of their customers. Sparc is seeking to develop and commercialise marine coatings products suitable for world leading manufacturers through its innovative coatings applications.

The growth in global marine coatings market is mainly attributed to growing demand from China, South Korea, South East Asia, Turkey, and Latin America for both new shipbuilding and maintenance. Additionally, the growing demand for higher priced antifouling coatings in the developing and developed markets is expected to drive revenue growth for the market generally. With a constantly evolving regulatory landscape, adopting a more environmentally sustainable and regulatory-compliant product portfolio is expected to drive the revenues for this market.

Access to markets is subject to the Company being able to successfully develop and commercialise the graphene technologies. Sparc does not have any distribution or offtake agreements in place at this stage. Sparc intends to initially focus on the development of products for the marine coatings market by partnering with major coatings companies to either add graphene to existing products or develop discrete functional products. As with any entity seeking to enter into a global marketplace, any product developed by Sparc will have applications that are constrained by market segment, relevant regulations, industrial application and geographical barriers.

(b) Protective Coatings Market

The global protective coatings market was valued at US\$13.39 billion in 2018, and is expected to grow at a CAGR of 8.7% to a market size of US\$34.8 billion in 2027.⁴ The protective coatings market is structurally more complex than the marine coatings market, with thousands of local suppliers concentrated primarily in South East Asia, with similar industry players as those in the marine coatings market.

Factors like increasing infrastructure demand in emerging and developed regions coupled with surging demand for protective coatings attributed to growth in the power sector are expected to boost the revenue for the global protective coatings suppliers. Moreover, the rising need across the globe for harnessing power from alternative sources, such as solar, wind, and geothermal, has resulted in increased installation of plants to harness these resources. Growth in the power sector is directly associated with the growth of the global protective coating market, as these units need to withstand harsh conditions and highly corrosive elements. This scenario is likely to propel the demand for protective coatings for infrastructure and the power sector over the coming years. Increasingly stringent government regulations focused on reducing volatile organic compounds (VOC) emissions has also, thus far, acted as a major factor hampering the growth of the global protective coatings market, as most protective coatings have relied on solvent based technology.

³ Frost & Sullivan, 2019

⁴ Coherent Market Insights Protective Coatings Industry Report, 2019



4.3 Metal recovery from tailings

Graphene can be utilised to separate specific metals from tailings dams and waste ore on mine sites. GTS intends to partner with participants in the mining industry to develop optimum solutions for precious metals extraction with the added environmental benefits of removal of metals from soils and local waterways.

Approximately US\$1 trillion worth of precious metals sit in waste rock and tailings already extracted from the ground that are situated at old mining sites globally.⁵

Approximately US\$1 trillion worth of precious metals sit in waste rock and tailings already extracted from the ground that are resting at old mining sites globally.⁵



⁵ Mining[DOT]COM, Ana Komenic (2014)



UoA has developed intellectual property in a number of environmental areas, which Sparc intends to commercialise for broad commercial applications

4.4 Environmental remediation

Graphene's properties can be used to effectively separate oil, pollution, and other substances from water and soil quickly and efficiently. UoA has developed intellectual property in a number of environmental areas, which Sparc intends to commercialise for broad commercial applications.

(a) Graphene & PFAS

One of the initial target applications is to consider the application of functional graphene to contain and destroy Per- and polyfluoroalkyl substances (PFAS). PFAS is a group of man-made chemicals which has been used around the world since the 1940s which don't breakdown substantially over time, and have been known to have adverse effects on human health and in particular, causing cancer. Not only containing PFAS, but destroying it in an economic manner will be a game changer and Sparc is aiming to prove this concept using intellectual property developed by UoA. The Company has identified a number of sites in Australia to which its technology could have potential application for remediation and will focus initially on marketing its soil remediation projects either directly to the owners of these sites, or environmental remediation companies.

(b) Graphene & Oil Spills

Graphene's hydrophobic properties can be used to effectively separate oil from water quickly and efficiently. UoA and Sparc have developed proprietary knowledge and intellectual property to effectively and efficiently remove oil from water. Broad commercial applications and potential partners in the oil and gas industry will be sought.





05

Risk Factors



05 Risk Factors

This Section identifies the major areas of risk associated with the Acquisition, the operating business of the Merged Group on completion of the Acquisition and other general risks, but should not be taken as an exhaustive list of the risk factors to which the Company and its Security holders are exposed. References to the Company in this Section 5 include the Merged Group.

5.1 Risks relating to the change in nature and scale of activities

(a) Re-Quotation of Shares on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.

(b) Liquidity risk

On Completion, the Company will issue certain Securities which may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement. Details of the expected escrow restrictions are set out in Section 2.10. The application of the ASX escrow restrictions may be considered to result in a liquidity risk as the issued capital will not be able to be traded freely for a period of time and the ability of a Shareholder to dispose of his or her Shares in a timely manner may be affected.

(c) Dilution risk

Following completion of the Consolidation, the Company will have 20,338,258 Shares and 1,562,500 Options on issue. On Completion, the Company proposes to issue Shares and Options pursuant to the Public Offer and Secondary Offers which will dilute existing Shareholders, as detailed in Sections 2.1 and 2.3.

On completion of the Acquisition and Public Offer, the existing Shareholders will retain approximately 28.9% of the issued Share capital, the GTS Vendors will hold approximately 41.9% and investors under the Public Offer will hold approximately 28.4% on a Maximum Subscription basis.

There is a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

(d) Completion, counterparty and contractual risk

As set out in Section 8.3(a), the Company has agreed to acquire 100% of the issued capital of GTS subject to the fulfilment of certain conditions precedent. There is a risk that the conditions precedent for completion of the Acquisition will not be fulfilled and, in turn, that completion of the Acquisition will not occur.

The ability of the Company to achieve its stated objectives will depend on the performance by the GTS Vendors of their obligations under the Share Sale Agreement and Ancillary SSAs (as applicable). If the GTS Vendors or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly and without any certainty of a favourable outcome.

5.2 Specific risks applicable to the Merged Group

On completion of the Acquisition, GTS will become a wholly owned subsidiary of the Company and the business conducted by GTS will become the Company's main undertaking. Set out below is a non-exhaustive list of key risks of operating the Company's business as owner of GTS.

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

As at the date of this Prospectus and as set out in Section 6, GTS 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 GTS 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 Public Offer will be adequate to satisfy the anticipated current working capital and other capital requirements as set out in this Prospectus. 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 Offer 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.

GTS operations are subject to all of the risks inherent in a recently formed business enterprise. GTS has no significant history of operations and there can be no assurance that the Company will be able to generate or increase revenues from its existing and proposed products or avoid losses in any future period.

(b) Intellectual property risks

The success of the GTS 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.

Given the dependence of the Company on intellectual property and the quality of its products and brands, in the event that the Company is unable to protect its intellectual property adequately, then the value of the Company's products and brands could be adversely affected. This may further impact the overall business, with respect to its financial position and overall profitability and operational output.

Within the industry that the GTS business operates, there exists an ongoing risk of third parties claiming involvement in technological discoveries. GTS 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. The Company is not aware of any third party interests in relation to its intellectual property rights, however as stated above, the risk of third parties claiming involvement exists, which may result in litigation risks (see Section 5.2(e) below), and there can be no assurance that the measures in place by the Company will be sufficient.



05 Risk Factors

(c) Licence Risk

GTS' operations are focused on graphene technologies under the Licence from the UoA as set out in Section 8.2(a). The scope of the Licence dictates the scope and certainty of GTS' intellectual property rights. UoA has rights under the Licence which allow it to limit or restrict GTS' rights to exploit the Licensed Technology, however, at present, no such limitations have been notified to GTS by UoA. For further information, please refer to Section 4.1 of the Intellectual Property Report in Annexure B. GTS must obtain UoA's prior written consent to any grant of a sub-licence or sub-contract, which may restrict GTS' 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 GTS and UoA. There is a risk that UoA and GTS may not be able to come to an agreement and that improvements to the Licensed Technologies may not be able to be exploited by GTS. UoA also has rights to terminate the Licence, for events such as:

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

As set out in Section 9.5, UoA will on Completion hold 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

GTS 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.

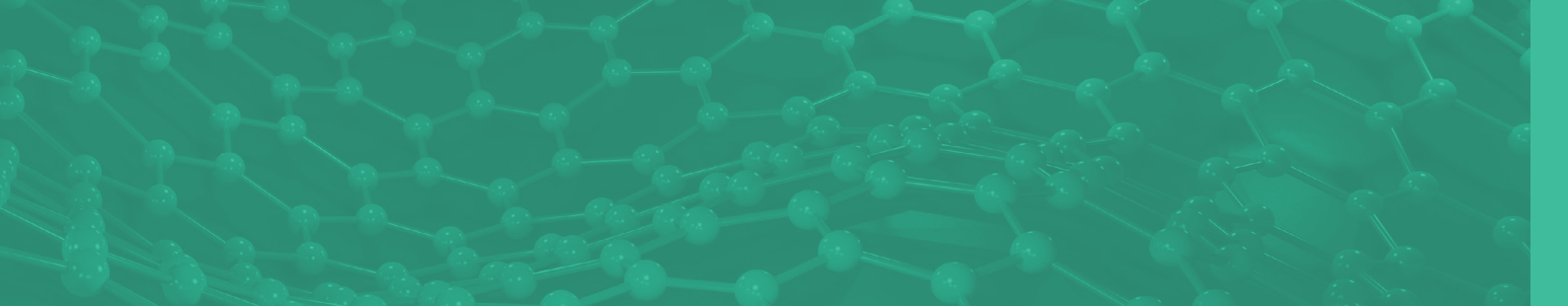
(f) Graphene price volatility

The value of graphene is affected by numerous factors and events that are external to and beyond the control of the Company. The graphene price has fluctuated, such that periods of significant decline have impacted on the GTS business. 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

GTS' 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

GTS requires access to graphene in order to develop and commercialise graphene products. To date, the global COVID-19 pandemic has not impeded GTS' access to graphene suppliers from its supplier in Taiwan, 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 GTS 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

GTS' operational success will substantially 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. GTS 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 Merged Group will be able to retain the services of these persons. GTS mitigates this risk to the extent possible by aligning its personnel with the success of GTS through the issue of equity interests held by certain personnel in the Company. The Company will also, subject to Shareholder approval, adopt the Plan, under which the Company may offer to eligible persons the opportunity to subscribe for Equity Securities in the Company as a means of attracting and maintaining experienced and qualified personnel.

5.3 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.



05 Risk Factors

(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 nature and extent of the effect of the outbreak on the 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

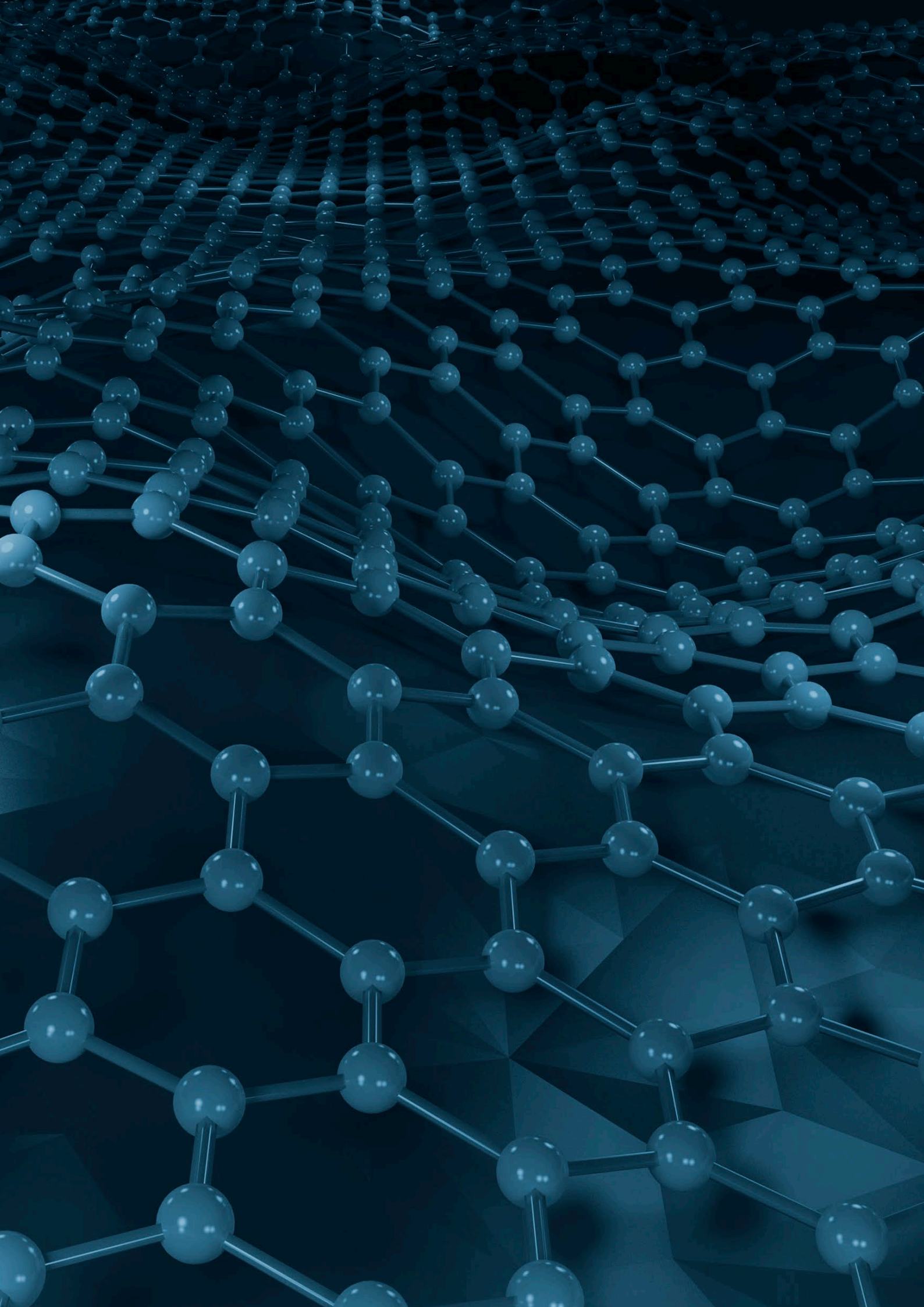
The climate change risks particularly attributable to the Company include:

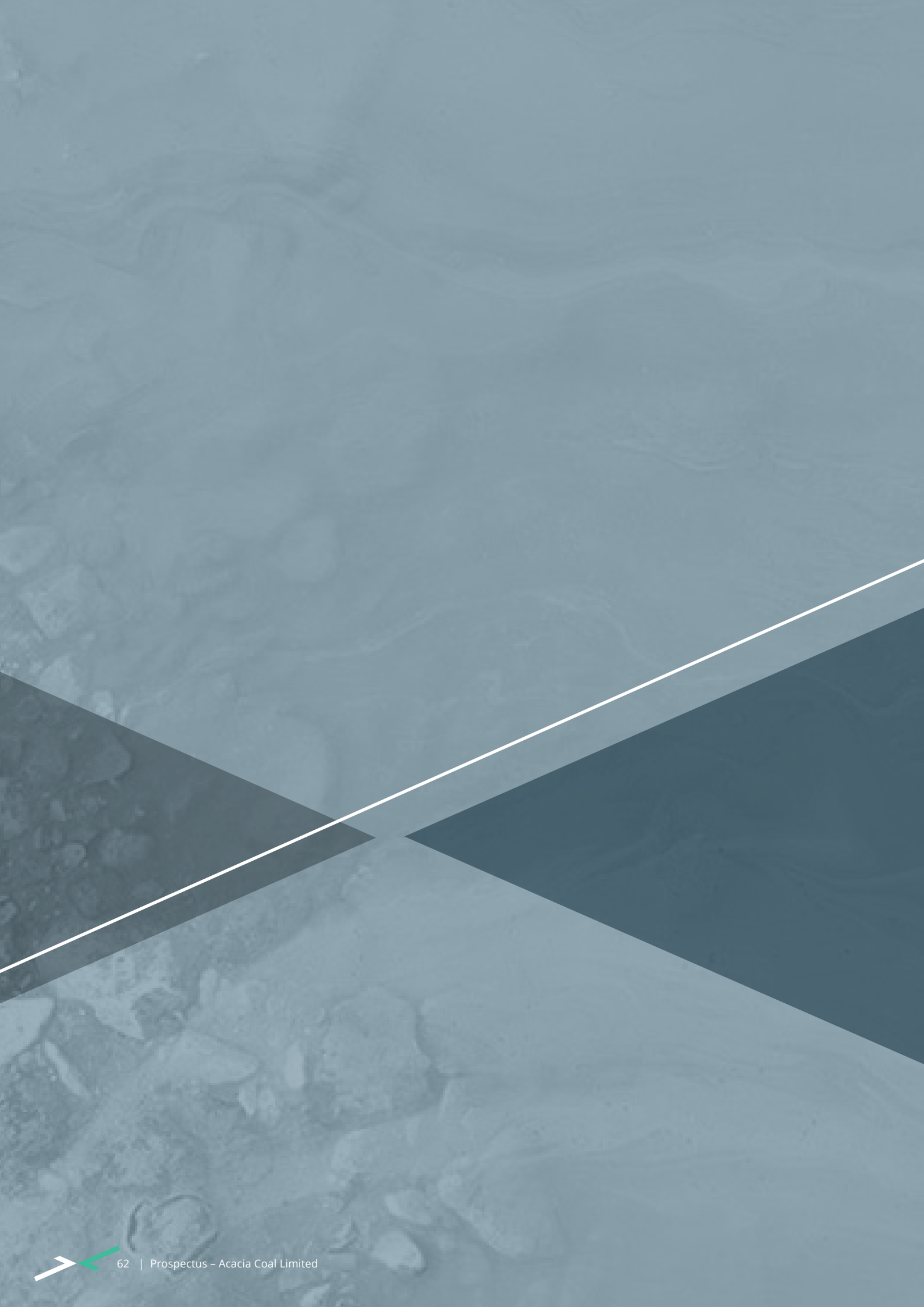
- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, 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 Shares.





06

Financial Information



06 Financial Information

6.1 Financial Information

The Independent Limited Assurance Report contained in Annexure A sets out:

(a) The Historical Financial Information of the Company comprising:

- (i) the Statement of Comprehensive Income for the years ended 30 June 2018, 2019 and 2020;
- (ii) the Statement of Financial Position as at 30 June 2020;
- (iii) the Statement of Changes in equity for the year ended 30 June 2020;

(b) The Historical Financial Information of GTS comprising:

- (i) the Statement of Comprehensive Income for the period from 8 November 2018 (date of incorporation) to 30 June 2019, and the year ended 30 June 2020;
- (ii) the Statement of Financial Position as at 30 June 2019 and 2020;
- (iii) the Statement of Cash Flows for the period from 8 November 2018 (date of incorporation) to 30 June 2019 and the year ended 30 June 2020; and
- (iv) the Statement of Changes in Equity for the year ended 30 June 2020,

(collectively, the **Historical Financial Information**); and

(c) the Pro Forma Consolidated Statements of Financial Position of the Merged Group as at 30 June 2020; and

(d) the Pro Forma Consolidated Statement of Changes in Equity of the Merged Group for the year ended 30 June 2020,

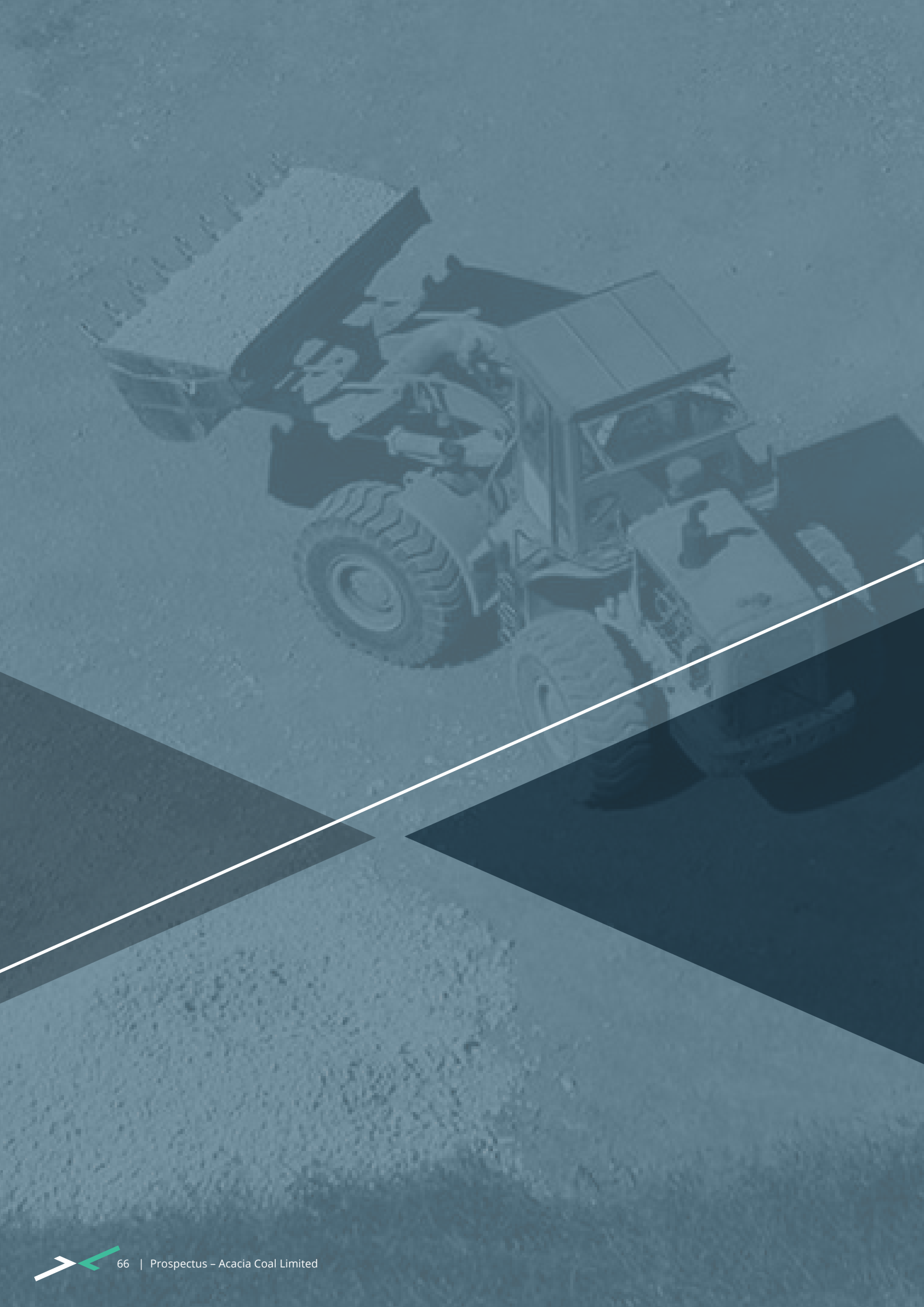
(collectively, the **Pro Forma Consolidated Historical Financial Information**).

The Directors are responsible for the preparation and inclusion of the Historical Financial Information and Pro Forma Consolidated Historical Financial Information (together, the **Financial Information**) in the Prospectus. Pitcher Partners BA&A Pty Ltd has prepared an Independent Limited Assurance Report in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Annexure A.

6.2 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.





07

Directors, Key Management and Corporate Governance



07 Directors, Key Management and Corporate Governance

7.1 Board of Directors

As at the date of this Prospectus, the Board comprises Adam Santa Maria, Logan Robertson and Brett Lawrence. On completion of the Acquisition, Messrs Santa Maria, Robertson and Lawrence will resign from the Board and the Company will appoint the following Proposed Directors:

- (a) **Mr Stephen Hunt – Executive Chairman;**
- (b) **Mr Thomas Spurling – Managing Director; and**
- (c) **Mr Daniel Eddington – Non-Executive Director.**

Profiles of each of the Proposed Directors are set out in Section 3.5.

7.2 Directors' interests

Other than as disclosed in this Prospectus, no Director nor Proposed Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers (other than, with respect to the Proposed Directors, in their capacity as GTS Vendors); and
- (c) the Offers (other than, with respect to the Proposed Directors, in their capacity as GTS Vendors).

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director or Proposed Director, either to induce that Director or Proposed Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

7.3 Directors' security holdings

The Company's Directors and Proposed Directors (and their respective related entities) have the following interests in Securities as at the date of this Prospectus:

Name	Shares (pre-consolidation)	% Shares	Options
Mr Adam Santa Maria (resigning on Completion)	2,546,800	0.06	85,000,000 ^{1,2}
Mr Logan Robertson (resigning on Completion)	7,223,196	0.18	75,000,000 ³
Mr Brett Lawrence (resigning on Completion)	5,417,399 ⁴	0.13	75,000,000 ⁵
Mr Stephen Hunt	-	-	-
Mr Thomas Spurling	-	-	-
Mr Daniel Eddington	-	-	-

NOTES

1. Winsome Santa Maria ATF The Santa Family Trust is a nominee of Mr Adam Santa Maria and holds 20,000,000 Options expiring 5 December 2021 and exercisable at \$0.006.
2. Discovery Services Pty Ltd ATF Discovery Capital Investments Unit Trust is a nominee of Mr Adam Santa Maria and holds 65,000,000 Options expiring 9 August 2023 and exercisable at \$0.0015.
3. Technique Capital Pty Ltd is a nominee of Mr Logan Robertson and holds 7,223,196 Shares, 10,000,000 Options expiring 5 December 2021 and exercisable at \$0.006 and 65,000,000 Options expiring 9 August 2023 and exercisable at \$0.0015.
4. Leopard Energy Pty Ltd is a nominee of Mr Brett Lawrence and holds 5,417,398 Shares.
5. Brett Clifford Lawrence ATF the Arcadia Investment Trust is a nominee of Mr Brett Lawrence and holds 10,000,000 Options expiring 5 December 2021 and exercisable at \$0.006 and 65,000,000 Options expiring 9 August 2023 and exercisable at \$0.0015.



07 Directors, Key Management and Corporate Governance

Set out in the table below are details of the anticipated relevant interests of the existing Directors and Proposed Directors (and their respective related entities) in the Securities of the Company upon Completion of the Acquisition and Public Offer:

Name	Shares (post-consolidation)	% Shares (Min)	% Shares (Max)	Options	Performance Shares
Mr Adam Santa Maria (resigning on Completion) ¹	762,734	1.17	1.08	1,175,000	-
Mr Logan Robertson (resigning on Completion) ²	786,116	1.20	1.12	375,000	-
Mr Brett Lawrence (resigning on Completion) ³	277,087	0.42	0.39	375,000	-
Mr Stephen Hunt ⁴	8,057,533	12.31	11.44	-	2,000,000
Mr Thomas Spurling ⁵	1,219,887	1.86	1.73	-	2,250,000
Mr Daniel Eddington ⁶	3,180,769	4.86	4.51	-	2,000,000

NOTES

- As at the date of this Prospectus, Mr Adam Santa Maria intends to subscribe for up to 375,000 Shares under the Public Offer. Winsome Santa Maria ATF The Santa Family Trust is a nominee of Mr Adam Santa Maria and will hold 100,000 Options expiring 5 December 2021 and exercisable at \$1.20 at completion. Discovery Services Pty Ltd ATF Discovery Capital Investments Unit Trust is a nominee of Mr Adam Santa Maria and will hold 325,000 Options expiring 9 August 2023 and exercisable at \$0.30. Discovery Capital Partners (of which Mr Adam Santa Maria is a director), will also receive 375,000 Shares and 750,000 Options pursuant to the Adviser Offer.
- As at the date of this Prospectus, Mr Logan Robertson intends to subscribe for up to 750,000 Shares under the Public Offer. Technique Capital Pty Ltd is a nominee of Mr Logan Robertson and will hold approximately 36,116 Shares, 50,000 expiring 5 December 2021 and exercisable at \$1.20 and 325,000 Options expiring 9 August 2023 and exercisable at \$0.30.
- As at the date of this Prospectus, Mr Brett Lawrence intends to subscribe for up to 250,000 Shares under the Public Offer. Leopard Energy Pty Ltd is a nominee of Mr Brett Lawrence and will hold 27,087 Shares. Brett Clifford Lawrence ATF the Arcadia Investment Trust is a nominee of Mr Brett Lawrence and will hold 50,000 Options expiring 5 December 2021 and exercisable at \$1.20 and 325,000 Options expiring 9 August 2023 and exercisable at \$0.30.
- As at the date of this Prospectus, Mr Stephen Hunt intends to subscribe for up to 375,000 Shares under the Public Offer. Minerals and Metals Marketing Pty Ltd is an entity controlled by Stephen Hunt and will hold 1,829,830 Shares on Completion.
- As at the date of this Prospectus, Mr Thomas Spurling does not intend to subscribe for Shares under the Public Offer.
- As at the date of this Prospectus, Mr Daniel Eddington intends to subscribe for up to 500,000 Shares under the Public Offer.



7.4 Directors' remuneration

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The current maximum amount of remuneration that may be paid to all non-executive Directors has been set at \$300,000 per annum.

As set out in Section 8.3(d), Mr Daniel Eddington has entered into a letter agreement with the Company pursuant to which the Company agrees to pay Mr Eddington \$5,000 per month (including superannuation) for services provided to the Company as a Non-Executive Director. The agreement will commence two business days following receipt of a Conditional Reinstatement Letter. The Company has agreed pursuant to the letter of appointment to issue Mr Eddington (or his nominee) 2,000,000 Performance Shares (subject to Shareholder approval).

The Company has also entered into letters of appointment and executive services agreements with Stephen Hunt and Thomas Spurling pursuant to which the Company agrees to pay Mr Hunt a base salary of \$120,000 (plus superannuation) and Mr Spurling a base salary of \$240,000 per annum (plus superannuation), and issue Mr Hunt and Mr Spurling 2,000,000 Performance Shares and 2,250,000 Performance Shares respectively (subject to Shareholder approval). The key terms of Mr Hunt and Mr Spurling's services agreements and letters of appointment with the Company are set out in Sections 8.3(b) and 8.3(c).

7.5 Transactions with entities in which the Directors have an interest

The Company notes that Adam Santa Maria is a director of Discovery Capital Partners, Corporate Adviser to the Company (see Section 8.3(g) for further information on the Company's mandate with Discovery Capital Partners). Discovery Capital Partners will receive 375,000 Shares and 750,000 Options as set out in Section 8.3(g) (subject to Shareholder approval). Discovery Capital Partners is an entity controlled by Adam Santa Maria, a current Director. Accordingly, Discovery Capital Partners is considered a related party of the Company.

In addition, each of the Proposed Directors are also GTS Vendors and are receiving Consideration Shares for the Acquisition pro-rata to their shareholdings in GTS as set out in Section 7.3.

Other than as set out above and in Sections 7.4 and 8.3(b) to 8.3(e), the Company has not entered into any related party transactions.

7.6 Corporate Governance

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 7.6. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations). To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the Recommendations.

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on the Company's corporate governance procedures, policies and practices can be obtained from the Company website at www.acaciacoal.com.au.



(a) Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) appointment, and where necessary, the replacement, of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (ii) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (v) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (vi) approving the annual, half yearly and quarterly accounts;
- (vii) approving significant changes to the organisational structure;
- (viii) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the Listing Rules if applicable);
- (ix) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (x) approving the Company's remuneration framework;
- (xi) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (xii) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable); and
- (xiii) meeting with the external auditor, at their request, without management being present.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

In light of the Company's size and nature, the Board considers that the proposed board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in a general meeting. However, subject thereto, the Company is committed to the following principles:

- (i) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (ii) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

The Board currently consists of 3 members. Following completion of the Offers and the Acquisition, the Board will consist of 3 members (following the resignation of Messrs Santa Maria, Robertson and Lawrence). The Company has adopted a Remuneration and Nomination Committee Charter, but has not formally adopted a Nomination and Remuneration Committee. The Directors consider that the Company is currently not of a size, nor are its affairs of such complexity, to justify the formation of a Nomination and Remuneration Committee. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the Board.

Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

(c) Identification and management of risk

The Board has not established a risk management committee and the full Board is responsible for overseeing the risk management function. The Board is responsible for ensuring the risks and opportunities are identified on a timely basis.

(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent professional advice

Subject to prior consultation with the Chairman, the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration arrangements

The total maximum remuneration of Non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of Non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-executive Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

(g) Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that prior written approval of the Chairman or the Board must be obtained prior to trading.

(h) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.



(i) Audit committee

The Company does not have an audit committee. The full Board fulfils the Company's corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

(j) Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(k) Whistleblower Policy

The Company has adopted a Whistleblower Policy which encourages employees to raise any concerns and report instances of illegal or unethical behaviour, without fear of reprisal. The Whistleblower Policy establishes the mechanisms and procedures for employees to report unethical or illegal conduct in a manner which protects the whistleblower and gathers the necessary information for the Company to investigate such reports and act appropriately.

(l) Departures from Recommendations

The Company is required to report any departures from the Recommendations in the form of an Appendix 4G lodged with ASX. The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below:

Principles and Recommendations	Comply (Yes/No)	Explanation
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
Recommendation 1.5		
<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	No	<p>The Company has a diversity policy but it is yet to define measurable objectives to achieve diversity. The Company is currently working to implement targets for gender diversity.</p> <p>All positions in the Company are currently held by males.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 2.1		
<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	No	<p>The Company has a nomination policy but does not have a separately constituted nomination committee given the size of the Company.</p> <p>The function is currently carried out by all directors.</p> <p>The Board upon Reinstatement will consist of 3 directors, and Mr Hunt and Mr Spurling are not deemed to be independent directors.</p> <p>The Company believes the Board members have the appropriate skills to carry out this function</p>
Recommendation 2.4		
A majority of the board of a listed entity should be independent directors.	No	The Board upon Reinstatement will consist of 3 directors, and Mr Hunt and Mr Spurling are not deemed to be independent directors.
Recommendation 2.5		
The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	<p>Mr Hunt will serve as Executive Chairman of the Company and is not deemed to be independent.</p> <p>Mr Hunt will serve as Chairman and Mr Spurling as the Managing Director.</p>



07 Directors, Key Management and Corporate Governance

Recommendations	Comply (Yes/No)	Explanation
Recommendation 4.1		
<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> iii. the charter of the committee; iv. the relevant qualifications and experience of the members of the committee; and v. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	No	<p>The Company has an audit policy but does not have a separately constituted audit committee given the size of the Company.</p> <p>The function is currently carried out by all directors.</p> <p>The Board will consist of 3 directors, and Mr Hunt and Mr Spurling are not deemed to be independent directors.</p> <p>The Company believes the Board members have the appropriate skills to carry out this function.</p>
Recommendation 7.1		
<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework</p>	No	<p>The Company has a risk policy but does not have a separately constituted risk committee given the size of the Company.</p> <p>The function is currently carried out by all directors.</p> <p>The Board will consist of 3 directors, and Mr Hunt and Mr Spurling are not deemed to be independent directors.</p> <p>The Company believes the Board members have the appropriate skills to carry out this function.</p>

Recommendations	Comply (Yes/No)	Explanation
Recommendation 8.1		
<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> i. the charter of the committee; ii. the members of the committee; and iii. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	No	<p>The Company has a remuneration policy but does not have a separately constituted remuneration committee given the size of the Company.</p> <p>The function is currently carried out by all directors.</p> <p>The Board will consist of 3 directors, and Mr Hunt and Mr Spurling are not deemed to be independent directors.</p> <p>The Company believes the Board members have the appropriate skills to carry out this function.</p>





08

Material Contracts



08 Material Contracts

The Directors consider that certain contracts entered into by the Company and GTS are material to the Company and Merged Group or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Public Offer.

8.1 Introduction

The Directors consider that certain contracts entered into by the Company and GTS are material to the Company and Merged Group or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Public Offer. The key terms of these material contracts and arrangements are summarised in this Section.

8.2 GTS material contracts and arrangements

[a] Technology Licence Agreement - UoA

Under the Technology Licence Agreement between GTS and UoA dated 6 March 2020, UoA has granted GTS an exclusive, worldwide licence to exploit (including the right to sub-license) (**Licence**):

- (i) the technologies described as follows:
 - (A) (T150945) the present invention provides composite material having a porous graphene-based foam matrix and comprising porous inorganic micro-particles and metal oxide nano-particles distributed throughout the foam matrix;
 - (B) (T171035) a low density foam material and methods for making such, comprising self-assembled graphene oxide in foam is described having high performance acoustic absorption as well as increased moisture insulation and fire-retardant properties. The graphene oxide material is inserted or distributed within openings of open cell/pore foam material resulting in a novel foam material that has increased acoustic absorption properties;
 - (C) (T161007) the present invention relates in general to graphene-based materials. In particular, the invention relates to a graphene-based composite, a substrate comprising the composite, a method of preparing the composite and applications of the composite,

(together, the **Technologies**);

- (ii) the following patent applications:

- (A) United States (Patent Application No. 15/578149);
- (B) Australia (Patent Application No. 2018228274);
- (C) China (Patent Application No. 201880028629.3);
- (D) Europe (Patent Application No. 18760256.0);
- (E) India (Patent Application No. 201937039549);
- (F) Japan (Patent Application No. 2019-547476);
- (G) South Korea (Patent Application No. 10-2019-7026588);
- (H) United States (Patent Application No. 16490116);
- (I) Australia Patent (Application No. 2017325118);
- (J) Canada Patent (Application No. 3039985);
- (K) China Patent (Application No. 201780068881.2);
- (L) Europe Patent (Application No. 17847829.3);
- (M) India Patent (Application No. 201937014764);
- (N) New Zealand (Patent Application No. 752557);
- (O) Singapore (Patent Application No. 11201903072P);
- (P) South Africa (Patent Application No. 2019/02300); and
- (Q) South Korea (Patent Application No. 10-2019-7010301),

(together, the **Licensed Patent Applications**); and



- (iii) the confidential unpatented technical information and know how relating to the Technologies, as well as any confidential information in such information and know how, (collectively, the **Licensed Technology**).

The Licence is subject to the terms and conditions of the Technology Licence Agreement, including notably that:

- (i) UoA may notify GTS of limitations or restrictions applying to Licensed Technology at the time of making it available to GTS, and GTS must comply with such limitations or restrictions, which may limit GTS's rights to exploit the Licensed Technology;
- (ii) GTS must obtain UoA's prior written approval to any grant of a sub-licence or sub-contract (other than to one of its affiliates) and that any sub-licence or sub-contract must comply with certain specific requirements, which may restrict GTS's flexibility in exploiting the Licensed Technology; and
- (iii) payment of patent costs by GTS.

Under the Technology Licence Agreement, GTS grants UoA the right to:

- (i) use, modify and adapt the Licensed Technology for teaching, research and development and publication purposes; and
- (ii) publish any academic publication or any student's thesis relating to the Licensed Technology, subject to GTS having certain rights to review and request delay of publication of the academic publication or thesis.

UoA retains right, title and interest in any improvements to the Licensed Technology developed by UoA. UoA agrees to disclose such improvements, however any licence to such improvements must be negotiated separately between GTS and UoA.

During the term of the Technology Licence Agreement, GTS has a first option to negotiate the purchase and assignment to it of the Licensed Technology, as long as it is not in breach of the Technology Licence Agreement when it exercises the option. Any assignment negotiated pursuant to this option must provide for the Licensed Technology to revert to UoA in the event of an insolvency event occurring in respect of GTS.

GTS warrants that it will commit to minimum performance requirements in the form of a minimum research spend over three years (as set out below), with minimum performance requirements thereafter to be agreed by the parties.

- (i) Year 1 - 2019 - \$500,000;
- (ii) Year 2 - 2020 - \$500,000; and
- (iii) Year 3 - 2021 - \$500,000.

GTS has issued/paid to UoA pursuant to the Technology Licence Agreement in consideration for the grant of the Licence:

- (i) 4,200,000 shares in GTS in consideration for the Licence and as reimbursement for past patent costs in connection with the Licensed Patent Applications; and
- (ii) 10% of all non-royalty sub-licence income (being all consideration received from sub-licensees in exchange for any rights to the Licensed Technology, but excluding royalties payable on sales of Products).

There is no royalty payable under the Licence.

Subject to earlier termination, the Licence continues until the expiry of the last to expire of the Licensed Patent Applications or any subsequent patents issued in relation thereto.



08 Material Contracts

UoA may terminate the Technology Licence Agreement in various circumstances, notably:

- (i) if UoA in good faith considers GTS has not exploited the Licensed Technology as required under the Technology Licence Agreement and UoA is still not satisfied after consulting with GTS for a period of up to 30 days;
- (ii) in respect of a particular country, if GTS notifies UoA of its intention to cease paying patent costs in that country;
- (iii) GTS commits a material breach of the Technology Licence Agreement which is not able to be remedied or is not remedied within 14 days of UoA's notice requesting that the breach be remedied;
- (iv) a change in control occurs in relation to GTS without UoA's prior consent, not to be unreasonably withheld. UoA has already provided its consent to the change in control of GTS pursuant to the Ancillary SSA entered into by UoA; or
- (v) GTS ceases, or threatens to cease to carry on, or substantially changes the nature of, its business.

UoA may, instead of terminating for these events, instead elect to render the Licence non-exclusive, or in the case of paragraphs (iii), (iv) or (v), vary or revoke the Licence.

Further information on the Technology Licence Agreement is set out in the Intellectual Property Report in Annexure B. The Technology Licence Agreement is otherwise on terms considered standard for an agreement of this nature.

(b) Strategic Partnership Agreement - UoA

GTS and UoA are parties to a strategic partnership agreement dated 15 January 2020 (**Strategic Partnership Agreement**) which:

- (i) subject to earlier termination, has a term of three years from execution with a three year renewal term subject to agreement of the parties;
- (ii) grants GTS a first right of offer to negotiate rights to commercialise unencumbered patented graphene application technologies developed in Professor Dusan Losic's research group within the area of interest of graphene manufacturing technologies for applications, including but not limited to the construction, mining and agricultural sectors;
- (iii) other than as specified in paragraph (ii) above, is non-exclusive;
- (iv) provides for a management committee with equal representation of both GTS and UoA, which has responsibilities including resolution of intellectual property-related issues and maintenance of a register of pre-existing intellectual property contributed by either party and intellectual property developed or generated by UoA or GTS either individually or collectively during the course of and as a result of carrying out a project under the Strategic Partnership Agreement (Project IP);
- (v) confirms that GTS has the right to lead commercialisation efforts in relation to any commercially viable Project IP arising from a research project between the parties, subject to the terms of a commercialisation agreement to be agreed by the parties;
- (vi) imposes contractual confidentiality obligations on both parties;
- (vii) excludes warranties on the part of either party in respect of fitness for purpose and non-infringement of third party intellectual property; and
- (viii) contemplates GTS and UoA entering into future arrangements in respect of research agreements, collaborative research agreements and consultancy services agreements.

As set out in Section 8.2(a), GTS has committed to a minimum research spend of \$500,000 each year over three years (2019-2021 inclusive) pursuant to the Technology Licence Agreement. UoA acknowledges that funds expended by GTS in connection with the Strategic Partnership Agreement contribute towards GTS' minimum expenditure requirements under the Technology Licence Agreement. The Strategic Partnership Agreement also contains a commitment from GTS to provide \$500,000 towards the strategic partnership in 2022 under a project agreement.

In the event that a financial obligation under the Strategic Partnership Agreement is not otherwise payable under a project agreement for the purposes of the Strategic Partnership Agreement, the parties agree that the amount not expended may be rolled over to the following year.

To date, GTS has spent an aggregate of approximately \$410,000 towards its expenditure commitments under the Strategic Partnership Agreement, Research Agreement and Technology Licence Agreement.

At present, GTS has unmet expenditure obligations under the Strategic Partnership Agreement, Collaboration Agreement, Research Agreement and Technology Licence Agreement (**UoA Agreements**). GTS has been in discussions with UoA with regards to the unmet expenditure obligations under the UoA Agreements and has no reason to believe that any amounts under the UoA Agreements will be called upon prior to completion of the Acquisition. GTS intends to provide funding (or procure funding via the Company) of approximately \$500,000 towards its expenditure commitments under the UoA Agreements and the Collaboration Agreement as soon as reasonably practicable following completion of the Acquisition.

The Strategic Partnership Agreement will terminate immediately at any time by the agreement in writing of the parties, for material breaches or upon expiry of the term unless renewed.

The Strategic Partnership Agreement is otherwise on terms considered standard for an agreement of this nature.

The Strategic Partnership Agreement is a research and development agreement and accordingly, GTS does not expect to generate revenue from the Strategic Partnership Agreement in the short-term.

(c) GEIT Hub Collaboration Agreement

GTS is a party to a hub collaboration agreement dated 28 June 2017 (and amended on 2 October 2019 and 28 July 2020) (**Collaboration Agreement**) with UoA and various parties (each a **Partner** or **Collaborator**).

The Collaboration Agreement acknowledges that:

- (i) the parties have collaborated in the preparation and submission of proposal IH150100003 (**Proposal**) under the ARC Industrial Transformation Research Hubs (**ITRH**) scheme which contemplates the proposed hub titled "ARC Research Hub for Graphene Enabled Industry Transformation" led by Professor Dusan Losic (**Graphene Hub**); and
- (ii) UoA has been awarded a grant from the ARC (**ARC Grant**) to conduct the Graphene Hub as the administering organisation with the Partners and Collaborators under a separate funding agreement between UoA and the Commonwealth of Australia as represented by the ARC (**Funding Agreement**).

The Graphene Hub's research program will aim to address all of the barriers that industry faces regarding use of graphene to enable transformation of the respective industry sectors and will be organised through three areas of research and development including fundamental challenges (Node 1), graphene products and technology developments (Node 2), and industry translation and commercialisation (Node 3).

Under the Collaboration Agreement, the parties agree (amongst other things):

- (i) to retain ownership of any asset (being real or personal property excluding intellectual property) that it provides as part of its contribution to the Graphene Hub;
- (ii) all background intellectual property (being intellectual property of a party that is either in existence prior to the commencement date or which is created independently by a party after the commencement date which is required for and made available to the Graphene Hub) and confidential information which a party makes available for the activities of the Graphene Hub, will remain the property of that party;
- (iii) all project intellectual property (being all intellectual property developed in the course of undertaking activities in connection with a Project) shall be owned by the participants of the relevant Project;
- (iv) operational intellectual property (being copyright in the documents and reports created or developed in operating the Graphene Hub, excluding background intellectual property and project intellectual property) will be owned by UoA; and
- (v) if at any time an owner of project intellectual property under the Collaboration Agreement determines that certain project intellectual property may be commercialised, the relevant owning parties will identify that project intellectual property and detail how it may be commercialised

As set out in Section 8.2(a), GTS has committed to a minimum research spend of \$500,000 each year over three years (2019-2021 inclusive) pursuant to the Technology Licence Agreement. UoA acknowledges that funds expended by GTS in connection with the Collaboration Agreement contribute towards GTS' minimum expenditure requirements under the Technology Licence Agreement. There are also concurrent expenditure requirements under the Collaboration Agreement. At present, GTS has unmet expenditure obligations under the Collaboration Agreement, but has not received a notice of material breach with regards to its obligations under the Collaboration Agreement and has no reason to believe it will receive such a notice prior to completion of the Acquisition. GTS intends to provide funding (or procure funding via the Company) of approximately \$500,000 towards its expenditure commitments under the UoA Agreements and the Collaboration Agreement as soon as reasonably practicable following completion of the Acquisition.



08 Material Contracts

The Collaboration Agreement will continue until the date that is six months after the full expenditure of the ARC Grant for the Graphene Hub, unless terminated earlier.

The Collaboration Agreement may be terminated with 90 days' notice by the mutual written agreement of the parties (unless there is a material breach in which case a Partner or Collaborator's involvement may be terminated immediately).

The Collaboration Agreement is otherwise on terms considered standard for an agreement of this nature.

The Company notes that GTS does not expect to generate revenue from the Collaboration Agreement in the short-term.

(d) Research Agreement - UoA

GTS is currently party to a research agreement with UoA dated 24 April 2020 (and amended on 29 June 2020) for a research project titled "graphene-enhanced protective technologies including filters and corrosive-resistant coatings" (**Research Agreement**).

Under the Research Agreement:

- (i) GTS and UoA agree to conduct the research project with the objective of developing an anti-corrosive coating formulation suitable for marine applications with comparative performances against currently used paints on the market, as well as investigating the potential applications of graphene-enhanced filters such as face masks;
- (ii) GTS must provide four monthly progress reports to UoA in respect of the research project, with a final report to be delivered by 19 November 2020 (**Deliverables**);
- (iii) fees totalling \$100,000 are payable by GTS under the Research Agreement in tranches over the term of the Research Agreement;
- (iv) project intellectual property (being intellectual property developed, created, identified or first reduced to practice or writing in the course of the research project) passes to GTS progressively upon payment of fees;
- (v) each party retains its respective background intellectual property (being intellectual property that is provided by a party to the other party for use in the research project but excluding project intellectual property); and
- (vi) title to the Deliverables, passes to GTS upon payment of all fees.

The term of the research project commenced on 20 May 2020 and ends on 19 November 2020, unless terminated earlier.

The Research Agreement is otherwise on terms considered standard for agreements of this nature.

The Company notes that GTS does not expect to generate revenue from the Research Agreement in the short-term.



8.3 Company material contracts

(a) Share Sale Agreement and Ancillary SSAs

The Company has entered into the Share Sale Agreement and Ancillary SSAs to acquire 100% of the issued capital of GTS. Key terms of these agreements are detailed in Section 1.1.

(b) Mr Stephen Hunt - Executive Services Agreement and Letter of Appointment

Mr Stephen Hunt has entered into an executive services agreement in relation to his engagement as Executive Chairman of the Company. The material terms of Mr Hunt's engagement are set out below:

- (i) **Base Salary:** \$120,000 per annum (plus Superannuation);
- (ii) **Incentive Securities:** the Company agrees to issue Mr Hunt (or his nominee) 2,000,000 Performance Shares (subject to Shareholder approval at the General Meeting);
- (iii) **Term:** indefinite term commencing on the date that is two business days following receipt of a Conditional Reinstatement Letter until such time as Mr Hunt is no longer employed by the Company; and
- (iv) **Termination:** the Company or Mr Hunt may terminate the agreement at any time during the term by giving the other party not less than three months' written notice.

Mr Hunt has also entered into a letter of appointment with the Company pursuant to which he is appointed as Executive Director. The remuneration payable to Mr Hunt in accordance with his executive services agreement shall take into account his duties and responsibilities as a Director and accordingly, he will not be paid a separate Director's fee under his letter of appointment (or any existing arrangement between Mr Hunt and GTS).

(c) Mr Thomas Spurling - Executive Services Agreement and Letter of Appointment

Mr Thomas Spurling has entered into an executive services agreement in relation to his engagement as Managing Director of Company. The material terms of Mr Spurling's engagement are set out below:

- (i) **Base Salary:** \$240,000 per annum (plus Superannuation);
- (ii) **Incentive Securities:** the Company agrees to issue Mr Spurling (or his nominee) 2,250,000 Performance Shares (subject to Shareholder approval at the General Meeting);
- (iii) **Term:** indefinite term commencing on the date that is two business days following receipt of a Conditional Reinstatement Letter until such time as Mr Spurling is no longer employed by the Company; and
- (iv) **Termination:** the Company or Mr Spurling may terminate the agreement at any time during the term by giving the other party not less than three months' written notice.

Mr Spurling has also entered into a letter of appointment with the Company pursuant to which he is appointed as Managing Director. The remuneration payable to Mr Spurling in accordance with his executive services agreement shall take into account his duties and responsibilities as a Director and accordingly, he will not be paid a separate Director's fee under his letter of appointment (or any existing arrangement between Mr Spurling and GTS). The executive services agreement supersedes all pre-existing employment agreements between Mr Spurling and GTS.

(d) Mr Daniel Eddington - Letter of Appointment

Mr Daniel Eddington has entered into a letter agreement with the Company pursuant to which the Company agrees to pay Mr Eddington \$5,000 per month (including superannuation) for services provided to the Company as a Non-Executive Director. The agreement will commence two business days following receipt of a Conditional Reinstatement Letter and shall cease when Mr Eddington advises in writing his resignation or as otherwise in accordance with the Constitution.

The Company has agreed pursuant to the letter of appointment to issue Mr Eddington (or his nominee) 2,000,000 Performance Shares (subject to Shareholder approval at the General Meeting).

It is noted that the total aggregate amount of fees per annum payable to non-executive Directors of the Company is capped at \$300,000.



08 Material Contracts

(e) Deeds of indemnity, insurance and access

The Company has entered into deeds of indemnity, insurance and access with each of its Directors, the Proposed Directors and the company secretary.

Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

(f) Underwriting Agreement and Lead Manager Mandate

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Morgans (also referred to in this Prospectus as “Lead Manager” and Underwriter”) under which Morgans is appointed as the exclusive underwriter, bookrunner and lead manager to the Public Offer.

The Company has also entered into a mandate with Morgans dated 9 June 2020 (**Lead Manager Mandate**) under which Morgans has agreed to act as Lead Manager to the Public Offer on standard commercial terms. No additional fees are payable to Morgans under the Lead Manager Mandate. Fees payable under the Lead Manager Mandate are consistent with those set out below pursuant to the Underwriting Agreement.

The material terms of the Underwriting Agreement are set out below:

(i) Fees and Expenses:

Pursuant to the Underwriting Agreement, the Company must on the date of issue of the Shares under the Public Offer (**Completion Date**):

- (A) pay to the Underwriter in cleared funds:
 - (1) a management fee equal to 1% of the gross proceeds of the Public Offer (before any costs, expenses or other deductions or payments); and
 - (2) an underwriting fee equal to 5% of the gross proceeds of the Public Offer (before any costs, expenses or other deductions or payments);
- (B) issue to the Underwriter (or its nominees) 250,000 Shares; and
- (C) issue to the Underwriter (or its nominees) up to 1,409,265 Options on the terms and conditions set out in Section 9.3.

The Company has also agreed to reimburse the Underwriter for expenses incurred in connection with the Public Offer, including the Underwriter's legal expenses of up to \$10,000. Any single expenditure item in excess of \$2,000 shall be subject to prior approval from the Company.

The Underwriter may at any time, with the agreement of the Company, appoint co-managers and brokers to the Public Offer and at its own cost, appoint sub-underwriters to sub-underwrite the Public Offer

(ii) Unqualified Termination Events:

The Underwriter may at any time by notice given to the Company immediately, without cost or liability to itself, terminate the Underwriting Agreement so that it is relieved of all its obligations under the Underwriting Agreement if any of the following events occurs before the Completion Date:

- (A) **Index fall:** The S&P/ASX 200 Index published by ASX is at any time more than 12.5% below its level as at 5pm on the business day immediately preceding the date of the Underwriting Agreement.
- (B) **Material Adverse Effect:** There is a Material Adverse Effect, or any development involving a prospective Material Adverse Effect, on Group Member from that described in the Prospectus.

- (C) **ASIC action:** ASIC:
- (1) makes an order or interim order under section 739 of the Corporations Act concerning this Prospectus;
 - (2) applies for an order under Part 9.5 of the Corporations Act in relation to the Public Offer or any Offer Document;
 - (3) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Public Offer or any Offer Document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth); or
 - (4) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against the Company or any of its officers, employees or agents in relation to the Public Offer or any Offer Document.
- (D) **Takeovers Panel:** The Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel.
- (E) **Offer force majeure:** There is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency, which makes it illegal for the Underwriter to satisfy a material obligation of the Underwriting Agreement, or to market, promote or settle the Public Offer.
- (F) **Withdrawal of consent:** any person (other than the Underwriter):
- (1) whose consent to the issue of this Prospectus or any supplementary prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent;
 - (2) gives a notice under section 733(3) of the Corporations Act; or
 - (3) who has previously consented to the inclusion of their name or any statement in the Prospectus or any supplementary prospectus withdraws that consent.
- (G) **Withdrawal of Prospectus:** The Company withdraws this Prospectus or the Public Offer.
- (H) **Offer of refund to investors:** Any circumstance arises after lodgement of this Prospectus that results in the Company either repaying the money received from persons who have applied for Shares under the Public Offer or offering persons who have applied for Shares under the Public Offer an opportunity to withdraw their application for Shares under the Public Offer and be repaid their application money.
- (I) **ASX approval:** ASX indicates to the Company or the Underwriter that any necessary approval for the Company to re-list on ASX is not likely to be provided, or any such approval that has been provided is subsequently withdrawn.
- (J) **ASIC and ASX Waivers:** Any of the ASIC Waivers or ASX Waivers obtained are withdrawn, revoked or amended without the prior written approval of the Underwriter.
- (K) **Conduct:** The Company or any of its directors or officers engages in any fraudulent, misleading or deceptive conduct or activity in connection with the Public Offer.
- (L) **Section 730 notice:** A person gives a notice to the Company under section 730 of the Corporations Act.
- (M) **Insolvency:** Any Group Member becomes Insolvent, or an act occurs or an omission is made which may result in a Group Member becoming Insolvent.
- (N) **Certificate:** A certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission).
- (O) **Authorisation:** Any authorisation which is material to anything referred to in this Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter.



08 Material Contracts

- (P) **Future matters:** Any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Offer Document or Publication is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe.
- (Q) **Timetable:** any event specified in the timetable set out in the Underwriting Agreement (**Timetable**) is delayed for more than 3 business days without the prior written approval of the Underwriter.
- (R) **Debt facilities:**
- (1) a Group Member breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a Material Adverse Effect on the Group; or
 - (2) there occurs: an event of default; a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or any other similar event,
- under or with respect to any such debt or financing arrangement or related documentation of a Group Member;
- (S) **Directors and Senior Management:**
- (1) A Director or any member of the Key Management Personnel is charged with a criminal offence relating to any financial or corporate matter.
 - (2) Any Government Agency commences any public action against the Company, any of the Directors or any member of the Key Management Personnel, or announces that it intends to take any such action.
 - (3) Any Director or member of the Key Management Personnel of the Company is disqualified under the Corporations Act from managing a corporation.
- (T) **Restriction Agreement:** A Restriction Agreement:
- (1) is terminated, void, avoided, illegal, invalid, unenforceable or materially limited in its effect, any condition precedent in the Restriction Agreement is not satisfied by its due date (or becomes incapable of satisfaction by its due date and is not waived), any party commits a material breach of the Restriction Agreement or any party has the right to, or purports in writing to, terminate, rescind or avoid all or a material part of the Restriction Agreement (or any person so alleges); or
 - (2) is amended in any material respect without the prior written consent of the Underwriter.

(iii) Qualified Termination Events:

The Underwriter may at any time by notice given to the Company immediately, without cost or liability to itself, terminate the Underwriting Agreement so that it is relieved of all its obligations under the Underwriting Agreement if any of the following events occurs before the Completion Date:

- (A) **Offer Documents:** The Underwriter forms the view (acting reasonably) that:
- (1) there is an omission from this Prospectus or any supplementary prospectus of material required by the Corporations Act to be included;
 - (2) an Offer Document contains a statement which is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission); or
 - (3) an Offer Document does not contain all information required to comply with all applicable laws,

and such statement is not remedied by way of supplementary disclosure;

(B) **Supplementary Prospectus:**

- (1) the Company lodges a supplementary prospectus; or
- (2) the Underwriter forms the view (acting reasonably) that a supplementary prospectus must be lodged with ASIC under the Corporations Act.

(C) **Breach:**

- (1) the Company fails to comply with any of its obligations under the Underwriting Agreement, or any representation or warranty by the Company in the Underwriting Agreement is or becomes incorrect; or
- (2) any party to the Share Sale Agreement fails to comply with any of its obligations under the Share Sale Agreement, or any representation or warranty by either party to the Share Sale Agreement is or becomes incorrect.

(D) **New circumstance:** A new circumstance arises which is a matter adverse to investors in Shares under the Public Offer and which would have been required by the Corporations Act to be included in the Offer Documents had the new circumstance arisen before the Offer Documents were given to ASIC or ASX (as applicable).

(E) **Hostilities:** In respect of any one or more of Australia, the United States of America, any member state of the European Union, Indonesia, Japan, Russia, the People's Republic of China, North Korea, South Korea or the Middle East:

- (1) hostilities not presently existing commence (whether or not war has been declared);
- (2) a major escalation in existing hostilities occurs (whether or not war has been declared);
- (3) a declaration is made of a national emergency or war;
- (4) a terrorist act is perpetrated in any of those countries or a diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world; or
- (5) there is a material escalation of a pandemic or an epidemic such as novel coronavirus, a recurrence of severe acute respiratory syndrome or an outbreak of swine or avian influenza.

(F) **Change in law:** There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, or any State or Territory of Australia, the Reserve Bank of Australia, or any Minister or other Government Agency of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new law, policy or regulatory directive (other than a law, policy or regulatory directive which has been announced before the date of the Underwriting Agreement).

(G) **Material adverse change in financial markets:** Any of the following occurs:

- (1) any material adverse change or disruption to the political conditions or financial markets of Australia, Japan, the United Kingdom, the United States of America or any member state of the European Union or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions,
- (2) a general moratorium on commercial banking activities in Australia, the United States of America, Japan, any member state of the European Union or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
- (3) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for two consecutive trading days on which that exchange is open for trading.



08 Material Contracts

- (H) **COVID-19:** The Underwriter believes (acting reasonably) that an adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company) has occurred as a direct or indirect result of the coronavirus disease 2019 (**COVID-19**) or the transmission of the severe acute respiratory syndrome coronavirus 2 (**SARS-CoV-2**).
 - (I) **Directors and Senior Management:** A change in the Key Management Personnel or the Directors occurs (other than in a manner described in this Prospectus), or a Director or any member of the Key Management Personnel dies or becomes permanently incapacitated.
 - (J) **Adverse change:** There is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or the Group (in so far as the position in relation to any entity in the Group affects the overall position of the Company).
 - (K) **Error in Due Diligence Results:** It transpires that any of the due diligence results or any part of the verification materials in connection with this Prospectus was false, misleading or deceptive or that there was an omission from them, notwithstanding the fact that the Underwriter (or a representative of the Underwriter) signed off on the due diligence committee report.
 - (L) **Contravention of constitution or applicable law:** A contravention by a Group Member of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.
 - (M) **Litigation:** Litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Group Member, other than any claims disclosed in this Prospectus.
 - (N) **Investigation:** Any person is appointed under any legislation in respect of companies to investigate the affairs of a Group Member.
 - (O) **Material contracts:** Any contract, deed or other agreement which is material to the making of an informed investment decision in relation to the Shares under the Public Offer is:
 - (1) terminated, rescinded, altered or amended without the prior written consent of the Underwriter (such consent not to be unreasonably withheld); or
 - (2) found to be void or voidable.
 - (P) **Unauthorised alterations:** Without the prior written consent of the Underwriter (such consent not to be unreasonably withheld), the Company alters its Share capital or the Constitution.
 - (Q) **Prescribed Occurrence:** A Prescribed Occurrence in respect of the Company occurs during the period of the Public Offer, other than as contemplated by the Underwriting Agreement.
- (iv) Limitation on Exercise of Rights**
- An event listed in Section 8.3(f)(iii) does not entitle the Underwriter to terminate the Underwriting Agreement unless, in the reasonable opinion of the Underwriter, the event:
- (A) has had or is likely to have a Material Adverse Effect; or
 - (B) (ii) has given or is likely to give rise to:
 - (1) a contravention by the Underwriter of, or the Underwriter being involved in a contravention of, the Corporations Act or any other applicable law; or
 - (2) a liability for the Underwriter.

(v) Conditions Precedent

The Underwriter will have no obligations under the Underwriting Agreement unless each of the following conditions precedent is satisfied (or waived):

- (A) the Company obtains on or before the lodgement date of this Prospectus as specified in the agreed timetable (**Lodgement Date**) all ASX and ASIC approvals and waivers (in form and substance acceptable to the Underwriter) necessary to enable the Public Offer to proceed in accordance with the agreed timetable, this Prospectus (and ancillary offer documents) and the Underwriting Agreement;
- (B) the Underwriter is satisfied (in its sole and absolute discretion) with the results of the due diligence investigations undertaken by the due diligence committee formed in respect of this Prospectus (**DDC**), having been delivered certain due diligence documents, in form and substance acceptable to the Underwriter (including a legal opinion, the Independent Limited Assurance Report, the Intellectual Property Report and a copy of the DDC report) by the Lodgement Date;
- (C) duly executed opening and closing certificates are delivered to the Underwriter in accordance with the Underwriting Agreement;
- (D) the Company obtaining the Shareholder approvals set out in Section 1.3; and
- (E) GTS shareholders who are not party to the Share Sale Agreement agreeing to the Acquisition in accordance with the terms of the Share Sale Agreement pursuant to the Ancillary SSAs on or before the Lodgement Date.

(vi) Warranties, Undertaking and Indemnity

The Underwriting Agreement contains certain representations, warranties and undertakings by the Company which are considered standard for an agreement of this nature. The representations and warranties given by the Company relate to matters such as conduct of the Company, power and authorisations, information provided by the Company, information in this Prospectus and compliance with applicable laws and regulations.

Subject to certain exclusions relating to fraud, gross negligence or wilful misconduct of an indemnified party, the Company agrees to keep the Underwriter its related bodies corporate and affiliates and each of their respective officers, employees, agents and advisers indemnified against all losses reasonably incurred or suffered directly or indirectly in connection with the Public Offer or the Underwriting Agreement.

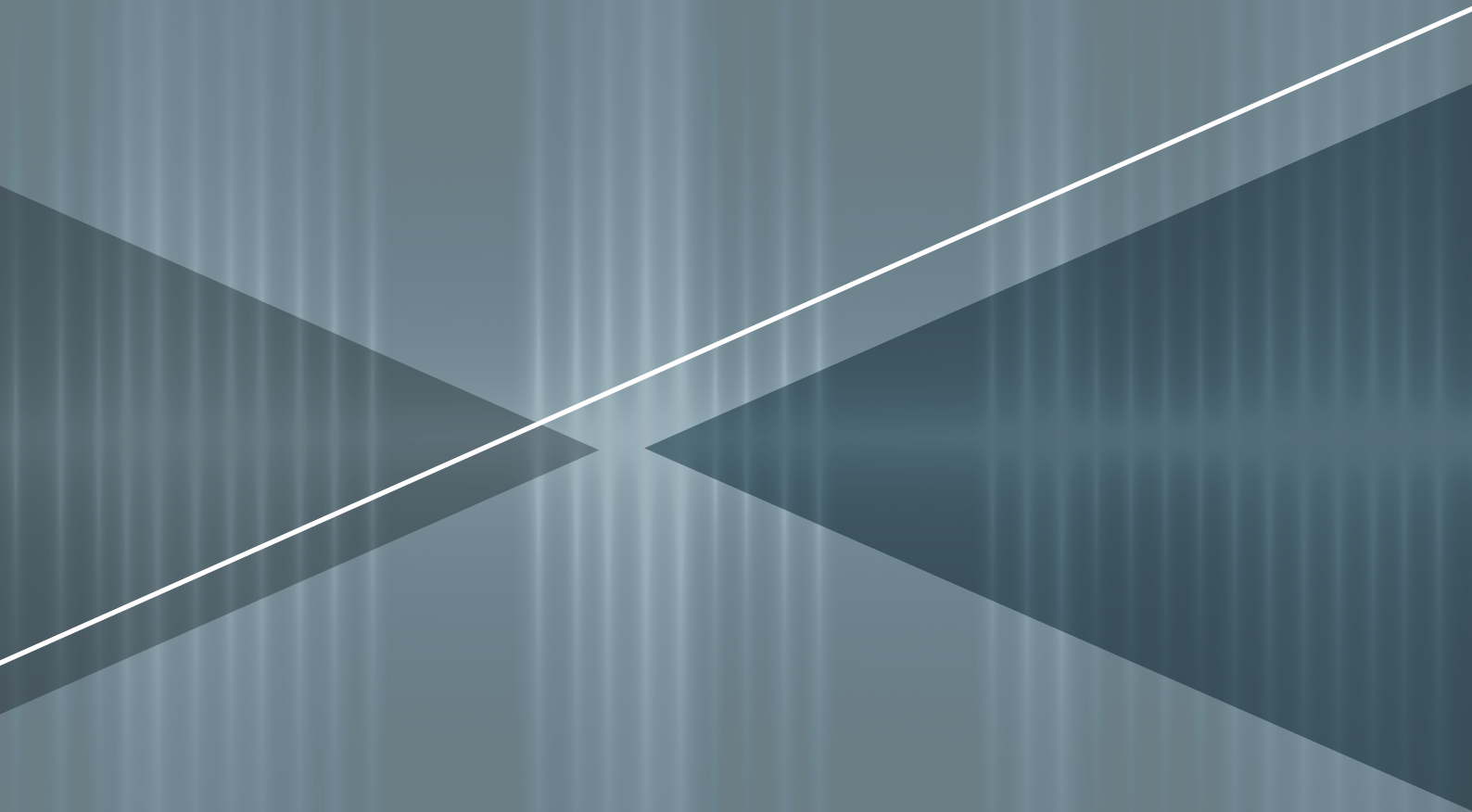
Please see Section 2.8 for further information regarding the interests of Morgans in the Public Offer and the potential effect of the underwriting of the Public Offer.

(g) Discovery Capital Partners Mandate

The Company has entered into a mandate with Discovery Capital Partners dated 22 January 2020 under which Discovery Capital Partners has provided and will continue to provide corporate advisory services to the Company in connection with the Public Offer and the Acquisition. In consideration for these services and subject to completion of the Acquisition, the Company will pay Discovery Capital Partners a fee of \$75,000 payable in Shares equivalent to 375,000 Shares at the issue price of the Public Offer and issue to Discovery Capital Partners (or its nominees) 750,000 Options with an exercise price of \$0.30 and which expire on the date that is 3 years from the date of issue (subject to Shareholder approval) and which are otherwise on the terms and conditions set out in Section 9.3.

The Company notes that Adam Santa Maria is a Director of Discovery Capital Partners. Discovery Capital Partners is an entity controlled by Adam Santa Maria. Accordingly, Discovery Capital Partners is considered a related party of the Company.





09

Additional Information



09 Additional Information

9.1 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (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.

9.2 Terms and conditions of Performance Shares

The following terms and conditions apply to the Performance Shares:

(a) Definitions

In these terms and conditions, unless the context otherwise requires:

Acquisition means the acquisition by the Company of 100% of the issued capital of GTS.

Acquisition Agreement means the share sale and purchase agreement containing the terms and conditions of the Acquisition.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

Company means Acacia Coal Limited ACN 009 092 068.

Corporations Act means the Corporations Act 2001 (Cth).

Graphene Projects means the graphene projects of GTS as at the date of the Acquisition Agreement, including developments or improvements.

Graphene Technology means intellectual property relating to graphene technology owned or licensed by GTS as at the date of the Acquisition Agreement, including developments or improvements.

GTS means Graphene Technology Solutions Limited ACN 629 889 550.

Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Official List means the official list of ASX.

Operating Revenue means revenue calculated in accordance with AASB 15 which is generated either or both of the following:

- (i) the sale of graphene products derived from the Graphene Projects or Graphene Technology; or
- (ii) the sale or licensing of the Graphene Technology

Performance Shares means a performance share in the capital of the Company.

Share means a fully paid ordinary share in the capital of the Company.

VWAP means the volume weighted average price of the Company's shares for the 20 trading days on which trades occurred, immediately prior to the relevant date.

(b) Milestone

The Performance Shares will convert into ordinary shares (**Shares**) in the Company on a one-for-one basis where on satisfaction of the following milestone:

- (i) GTS generates annual Operating Revenue of at least \$3 million from the Graphene Projects or Graphene Technology over an audited financial year; and
- (ii) the Company achieves a market capitalisation (based on the Company's VWAP) of \$50 million or more, (**Milestone**).

(c) Conversion

The Performance Shares will convert into Shares upon satisfaction of the relevant Milestone.

(d) Expiry Date

The Performance Shares expire on the date that is five years from the date of their issue (**Expiry Date**). To the extent that a milestone for a Performance Share has not been achieved by the Expiry Date, such Performance Shares will automatically consolidate into a sum total of one Performance Share, which will then convert into one Share.



(e) Transfer

The Performance Shares are not transferable.

(f) Entitlements and bonus issues

Subject always to the rights under condition (g) (Reorganisation of Capital), Performance Shareholders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.

(g) Reorganisation of capital

In the event that the issued capital of the Company is reconstructed, all the holder's rights as a holder of Performance Shares will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.

(h) Right to receive Notices and attend general meetings

Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A Holder has the right to attend general meetings of the Company.

(i) Voting rights

A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

(j) Dividend rights

A Performance Share does not entitle the Holder to any dividends.

(k) Return of capital rights

The Performance Shares do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(l) Rights on winding up

The Performance Shares have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

(m) Change in control

- (i) If prior to the earlier of the Conversion or the Expiry Date a Change in Control Event occurs, then each Performance Share will automatically and immediately convert into a Share. However, if the number of Shares to be issued as a result of the conversion of the Performance Shares is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Performance Shares to be converted will be reduced so that the aggregate number of Shares to be issued on conversion of the Performance Shares is equal to 10% of the entire fully diluted share capital of the Company.
- (ii) A Change of Control Event occurs when:
 - (A) **takeover bid**: the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
 - (B) **scheme of arrangement**: the announcement by the Company that the Company's shareholders (**Shareholders**) have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.
- (iii) The Company must ensure the allocation of shares issued under sub-paragraph (i) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Shares and all remaining Performance Shares held by each Holder will remain on issue until conversion or expiry in accordance with the terms and conditions set out herein.

(n) Issue of Shares

The Shares to which the holder is entitled on exercise of the Performance Share will be issued to the holder as soon as practicable after the exercise date. All Shares issued upon the conversion of Performance Shares will upon issue rank pari passu in all respects with other Shares.

(o) Quotation

Performance Shares will not be quoted on ASX. On conversion of Performance Shares into Shares, the Company must, within seven days, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.

(p) Cleansing notice or prospectus

The Company will issue a cleansing notice under section 708A(5) of the Corporations Act or a cleansing prospectus under section 708A(11) of the Corporations Act to permit the on-sale of Shares issued by reason of conversion from Performance Shares, within five days of the issue of the Shares.

(q) No other rights

A Performance Share does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(r) Amendments required by ASX

The terms of the Performance Shares may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

9.3 Terms and conditions of Lead Manager Options and Adviser Options

(a) Entitlement

The Options entitle the Option holder (**Optionholder**) to subscribe for one Share upon the exercise of each Option.

(b) Quotation of Options

The Company will not apply for official quotation of the Options on ASX.

(c) Issue Price

The Options to be issued under the Adviser Offer will be issued for a nominal issue price of \$0.0001 per Option.

The Options to be issued under the Lead Manager Offer will be issued for nil cash consideration.

(d) Exercise price and Expiry date

Each Option (unless otherwise specified) has an exercise price of \$0.30 (**Exercise Price**) and will expire at 5.00pm (AWST) on or before the day that is three years from the date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Notice of Exercise

The Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (i) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (ii) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.



(f) Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the valid exercise of an Option by the Optionholder, the Company will:

- (i) issue, allocate or cause to be transferred to the Optionholder the number of Shares to which the Optionholder is entitled;
- (ii) issue a substitute Certificate for any remaining unexercised Options held by the Optionholder;
- (iii) if required and subject to paragraph 9.3(g), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

(g) Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

(h) Quotation of Shares on exercise

The Company will apply for official quotation on ASX of all Shares issued upon exercise of the Options within 10 Business Days after the date of issue of those Shares.

(i) Options transferrable

The Options will be transferable subject to compliance with the Corporations Act, Listing Rules and conditional on obtaining prior approval from the Board.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the Optionholder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

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):

- (i) the number of Shares which must be issued on the exercise of an Option will not be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will not be adjusted following an entitlement offer.

(m) Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder will be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

9.4 Employee Securities Incentive Plan

The Company has adopted an employee securities incentive plan, a summary of which is set out below. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. It is intended that prior to Reinstatement, 7,000,000 Performance Shares will be issued under the plan to the Proposed Directors. It is intended that both the Executive and Non-Executive Directors will participate in the Plan. Aside from the 7,000,000 Performance Shares, no securities have been issued under this Plan.

(a) Eligible Participant

“Eligible Participant” means a person that:

- (i) is an ‘eligible participant’ (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.

(b) Maximum allocation

The Company must not make an offer of Securities under the Plan where the total number of Plan Shares that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of the Listing Rules is 8,108,502 equity securities (**ASX Limit**), meaning that the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder Approval and without reducing its placement capacity under Listing Rule 7.1.

(c) Purpose

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate) by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

(d) Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(e) Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(f) Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.



(g) Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(h) Vesting

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(i) Exercise of Options and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the Convertible Security exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

"Market Value" means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(j) Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(k) Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, acted negligently, acted in contravention of a certain Group policy or wilfully breached his or her duties to the Group (including but not limited to breaching a material term of an employment, executive services or consultancy agreement), the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

A Participant may by written notice to the Company voluntarily forfeit their Convertible Securities for no consideration.

(l) Change in control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(m) Rights attaching to Plan Shares

All Shares issued or transferred to a Participant upon the valid exercise of a Convertible Security (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(n) Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(o) Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(p) Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(q) Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.



(r) Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

9.5 Substantial Shareholders

At the date of this Prospectus, no Shareholders hold an interest in 5% or more of the Shares on issue. Based on the information known as at the date of this Prospectus, upon re-admission of the Company to the Official List, the following persons will have an interest in 5% or more of the Shares on issue.

Name	Shares	% (Min) ⁽¹⁾	% (Max) ⁽²⁾
Stephen Hunt ⁽³⁾	8,057,533	12.3	11.4
UoA	3,842,643	5.9	5.5

NOTES

1. Based on 65,463,258 Shares being on issue (Minimum Subscription).
2. Based on 70,463,258 Shares being on issue (Maximum Subscription).
3. As at the date of this Prospectus, Mr Stephen Hunt intends to subscribe for up to 375,000 Shares under the Public Offer. Minerals and Metals Marketing Pty Ltd is an entity controlled by Proposed Director Stephen Hunt and will hold 1,829,830 Shares on Completion.

9.6 Dividend Policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growth of the businesses following completion of the Acquisition. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

9.7 Interests of experts and advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) Share Registry

Link Market Services Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) Auditor to the Company

Pitcher Partners BA&A Pty Ltd has been appointed as auditor of the Company. The Company estimates it will pay Pitcher Partners BA&A Pty Ltd fees of approximately \$15,000 (excluding GST) for these services. The Company has not paid Pitcher Partners BA&A Pty Ltd any other fees during the 24 months preceding lodgement of this Prospectus with ASIC.

(d) Auditor to GTS

BDO Audit (SA) Pty Ltd has been appointed as auditor of GTS. The Company has paid BDO Audit (SA) Pty Ltd \$5,641.50 during the 24 months preceding lodgement of this Prospectus with ASIC.

(e) Investigating Accountant

Pitcher Partners BA&A Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A of this Prospectus. The Company estimates it will pay Pitcher Partners BA&A Pty Ltd a total of \$11,000 (excluding GST) for these services. The Company has not paid Pitcher Partners BA&A Pty Ltd any other fees during the 24 months preceding lodgement of this Prospectus with ASIC.

(f) Legal Advisers

HWL Ebsworth Lawyers (Perth) has acted as the solicitors to the Company in relation to the Offers, the Acquisition and the General Meeting. The Company estimates it will pay HWL Ebsworth Lawyers \$110,000 (excluding GST) for these services. The Company has paid HWL Ebsworth Lawyers fees of approximately \$60,000 (excluding GST) during the 24 months preceding lodgement of this Prospectus for services unrelated to the Offers. The Company has not paid HWL Ebsworth Lawyers any other fees during the 24 months preceding lodgement of this Prospectus with ASIC other than as set out in this Section and Section 9.7(i).

(g) Lead Manager/Underwriter

Morgans is acting as the lead manager and underwriter to the Public Offer and for this is entitled to be paid fees in accordance with the Lead Manager Mandate and Underwriting Agreement summarised in Section 8.3(f). Other than as set out in Section 8.3(f), the Company has not paid any other fees to Morgans during the 24 months preceding lodgement of this Prospectus with ASIC.



(h) Corporate Advisor

Discovery Capital Partners is engaged as corporate adviser in relation to the Acquisition in accordance with the mandate summarised at Section 8.3(g). Other than as set out in Section 8.3(g), the Company has not paid any other fees to Discovery Capital Partners Capital during the 24 months preceding lodgement of this Prospectus with ASIC.

(i) Intellectual Property Report

HWL Ebsworth Lawyers (Adelaide) has prepared the Intellectual Property Report in Annexure B at the request of the Company. The Company estimates it will pay HWL Ebsworth Lawyers a total of \$10,000 (excluding GST) for these services. The Company has not paid HWL Ebsworth Lawyers any other fees during the 24 months preceding lodgement of this Prospectus with ASIC other than as set out in this Section and Section 9.7(f).

9.8 Consents

(a) General

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, the Proposed 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.

In light of the above, each of the parties referred to below:

- (i) does not make the Offer;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Link Market Services Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as share registry to the Company in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry.

(c) Auditor to the Company

Pitcher Partners BA&A Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named and references to its audit reports in the text of this Prospectus.

(d) Auditor to GTS

BDO Audit (SA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of GTS in the form and context in which it is named and references to its audit reports in the text of this Prospectus.

(e) Legal Advisers

HWL Ebsworth has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as legal adviser to the Company in the form and context in which it is named.

(f) Investigating Accountant

Pitcher Partners BA&A Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

(g) Lead Manager and Underwriter

Morgans has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Lead Manager and Underwriter to the Public Offer in the form and context in which it is named, together with all references to it in this Prospectus.

(h) Corporate Advisor

Discovery Capital Partners has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Corporate Advisor to the Company in the form and context in which it is named, together with all references to it in this Prospectus.

(i) Intellectual Property Report Author

HWL Ebsworth Lawyers has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in the Prospectus as the author of the Intellectual Property Report in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Intellectual Property Report in the form and context in which it is included.

9.9 Expenses of the Offers

The expenses of the Offers (excluding GST) are estimated to be approximately \$469,543 (on a Maximum Subscription basis) and are expected to be applied towards the items set out in the table below.

Items of expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
Lead Manager fees	180,000	240,000
Legal fees (including Intellectual Property Report)	120,000	120,000
Accounting and Independent Limited Assurance Report	15,000	15,000
ASIC fees	3,206	3,206
ASX fees	80,239	81,337
Other expenses	10,000	10,000
Total estimated expenses	408,445	469,543



9.10 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 Meeting); and
- (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).

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 Rules 6.1 and 12.5.

The Company has applied for and expects to receive a waiver from Listing Rule 9.1 to permit the Company to apply 'look through relief' to the Consideration Shares to be issued to the GTS Vendors.

Listing Rule 9.1 provides that where an entity issues restricted securities, or has them on issue, it must apply the restrictions in Appendix 9B or other restrictions as ASX, in its discretion, decides. 'Restricted securities' are defined in Chapter 19 of the Listing Rules as including securities issued in the circumstances set out in Appendix 9B. Paragraph 2 of Appendix 9B provides that the securities restricted under that paragraph will be subject to an escrow period of 12 months commencing on the date on which the restricted securities are issued.

9.11 Continuous disclosure obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

9.12 Litigation

As at the date of this Prospectus, neither the Company nor GTS is involved in any material legal proceedings nor are the Directors aware of any legal proceedings pending or threatened against the Company or GTS or any of their respective subsidiaries.

9.13 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please contact the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the relevant electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

9.14 Documents available for inspection

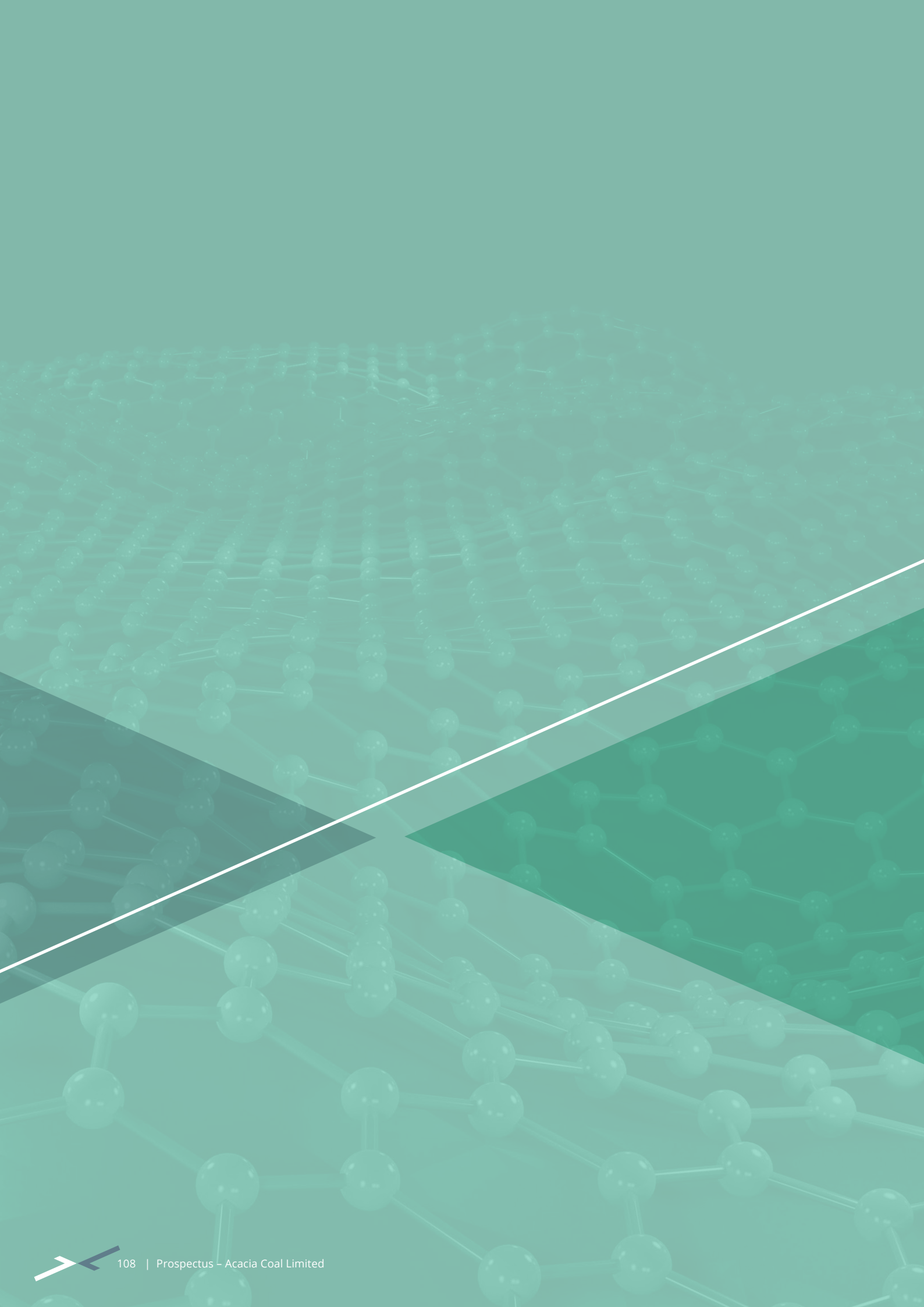
Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 9.8.

9.15 Statement of Directors

The Directors and Proposed Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 6, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.





10

Directors' Authorisation

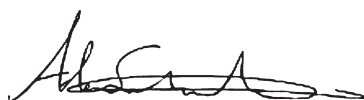


10 Directors' Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

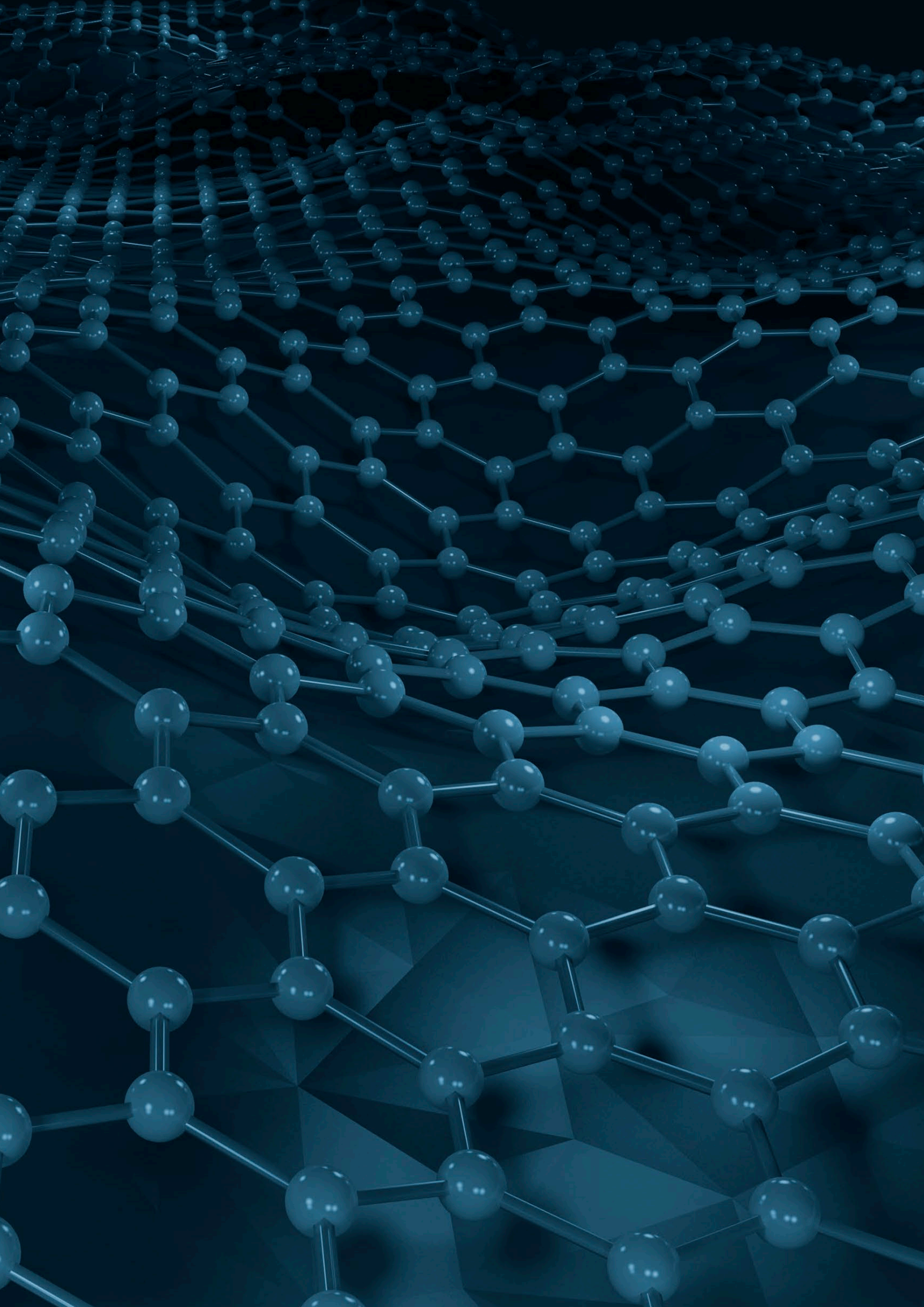
In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

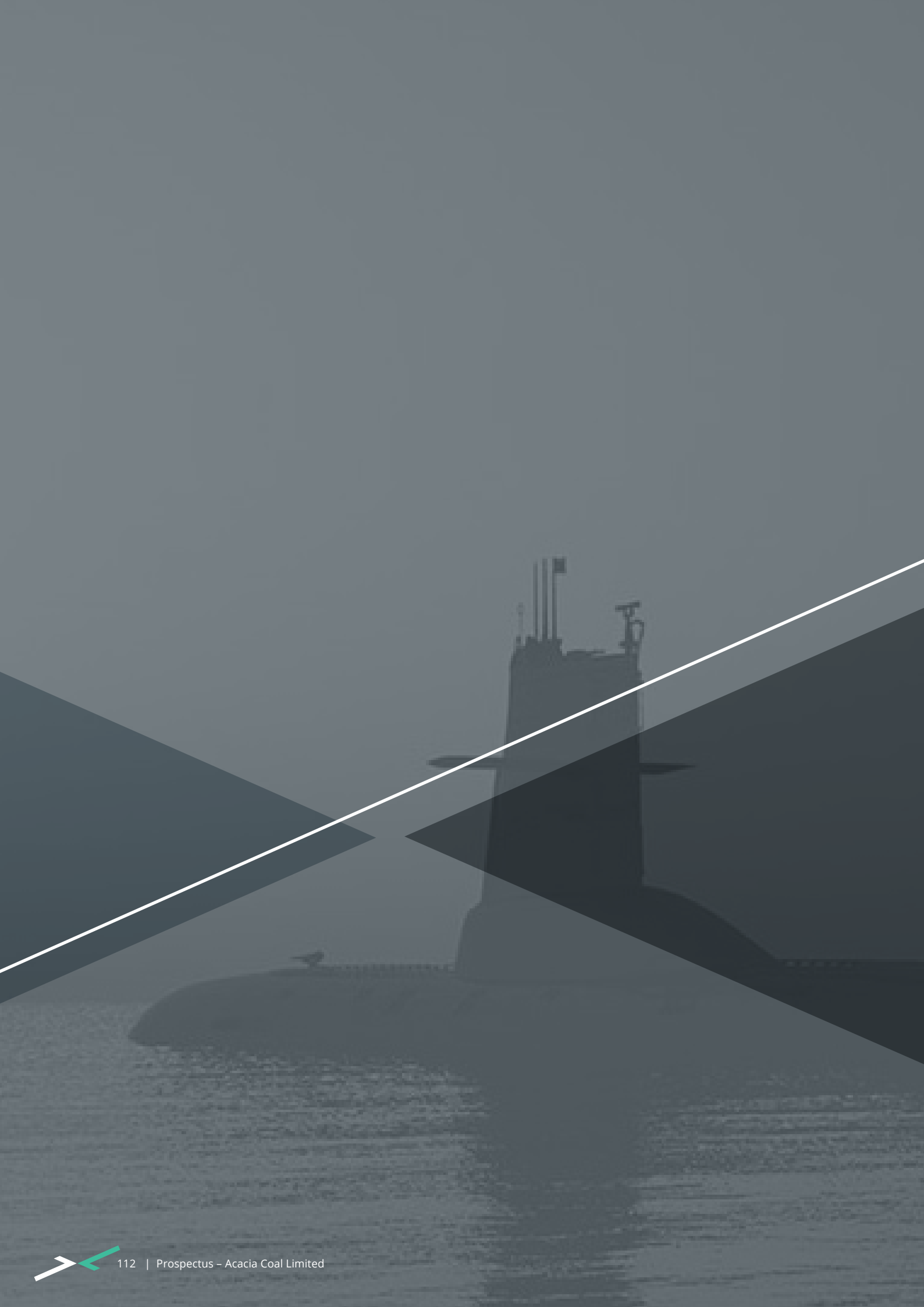
Signed for and on behalf of the Company.



Adam Santa Maria

Executive Chairman





11

Definitions



11 Definitions

\$	means Australian Dollars.
AEDT	means Australian Eastern Daylight-savings Time.
Acquisition	means the acquisition of GTS in accordance with the Share Sale Agreement and the Ancillary SSAs.
Adviser Offer	means the offer of 375,000 Shares and 750,000 Options to Discovery Capital Partners (or its nominees) under this Prospectus.
Ancillary SSAs	means share sale agreements between the Company and the GTS Vendors (except for the GTS Vendors who are parties to the Share Sale Agreement) under which those GTS Vendors agreed to sell their GTS Shares to the Company in consideration for the issue of the Consideration Shares.
Applicant	means a person who submits an Application Form.
Application Form	means the Public Offer Application Form, the Consideration Offer Application Form, the Lead Manager Offer Application Form and/or the Adviser Offer Application Form, as the context requires.
Application Monies	means the amount of money in dollars and cents payable for Shares at the Offer Price per Share pursuant to the Public Offer. No application monies will be payable pursuant to the Secondary Offers.
Arc Grant	has the meaning in Section 8.2(c).
ASIC	means the Australian Securities and Investments Commission.
ASIC Waivers	means any waivers, exemptions and modifications required to be obtained by the Company, or agreed by the Company to be obtained by the Company, from ASIC to enable it to conduct the Public Offer in accordance with the Underwriting Agreement in compliance with the Corporations Act.
ASX	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
ASX Settlement	means ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	means the settlement and operating rules of ASX Settlement.
ASX Waivers	means any waivers, confirmations and approvals required to be obtained by the Company, or agreed by the Company to be obtained by the Company, from ASX to enable it to conduct the Public Offer in accordance with the Underwriting Agreement in compliance with the Listing Rules.
Board	means the board of Directors.
Business Day	means Monday to Friday except for any day that ASX declares is not a business day.
CHESS	means the Clearing House Electronic Sub-register System operated by ASX Settlement.
Closing Date	means the date that the Offers close which is 5.00pm (AEDT) on 27 October 2020 or such other time and date as the Board determines.
Collaboration Agreement	has the meaning given in Section 8.2(c).

Company or Sparc	means Acacia Coal Limited (to be renamed 'Sparc Technologies Limited') (ACN 009 092 068).
Completion	means completion of the Acquisition in accordance with the Share Sale Agreement.
Conditional Reinstatement Letter	means a letter from the ASX setting out that the Company's securities will be reinstated to official quotation subject to the satisfaction of certain conditions.
Consideration Offer	means the offer of the Consideration Shares to the GTS Vendors (or their nominees) under this Prospectus in the respective proportions set out in the Share Sale Agreement.
Consideration Offer Application Form	means the Application Form in respect of the Consideration Offer.
Consideration Shares	means 29,500,000 Shares to be issued to the GTS Vendors (or their respective nominees) pursuant to the Share Sale Agreement and Ancillary SSAs.
Consolidation	means the proposed consolidation of the Company's issued capital on a 200 for 1 basis which is subject to Shareholder approval at the General Meeting.
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Discovery Capital Partners	means Discovery Capital Partners Pty Ltd (ACN 615 635 982).
Equity Security	has the same meaning as in the Listing Rules.
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
General Meeting or Meeting	means the General Meeting of Shareholders to be held on Monday, 26 October 2020 at 10am (WST).
Governmental Agency	includes: <ul style="list-style-type: none"> (a) ASIC; (b) any government in any jurisdiction, whether federal, state, territorial or local; (c) any governmental, semi-governmental, administrative, judicial or quasi-judicial body, minister, department, office, commission, delegate, instrumentality, agency, board, authority, tribunal, agency or other organisation or entity; and (d) any non-government regulatory authority, including ASX.
Graphene Hub	means the Graphene Enabled Industry Transformation Hub.
Graphene Projects	has the meaning given in Section 3.3(a).
Group	means, for the purposes of the Underwriting Agreement, the Company, GTS and their Related Bodies Corporate, and each of them is a Group Member.
GTS	means Graphene Technology Solutions Ltd (ACN 629 889 550).
GTS Shares	means fully paid ordinary shares in the capital of GTS.



11 Definitions

GTS Group	means the GTS and its subsidiaries.
GTS Vendors	means the shareholders of GTS.
Insolvent	<p>a person is Insolvent if:</p> <ul style="list-style-type: none"> (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); (b) it has had a controller (as defined in the Corporations Act) appointed or is in liquidation or provisional liquidation, under administration or wound up or has had a receiver or receiver and manager appointed to any part of its property; (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to the Underwriting Agreement); (d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any event or circumstance referred to in paragraph (a), (b) or (c) of this definition occurring; (e) it is the subject of an event described in section 459C(2)(b) or 585 (or it makes a statement from which another party to the Underwriting Agreement reasonably deduces it is so subject); (f) it is the subject of an event described in section 459C(2)(b) or 585 (or it makes a statement from which another party to the Underwriting Agreement reasonably deduces it is so subject); (g) it is otherwise unable to pay its debts as and when they fall due; or (h) something having a substantially similar effect to any event or circumstance referred to in paragraphs (a) to (g) of this definition happens in connection with that person under the law of any jurisdiction.
Investigating Accountant	means Pitcher Partners BA&A Pty Ltd (ACN 601 361 095).
ISO 9227	means the international standard for the apparatus, the reagents and the procedure to be used in conducting the neutral salt spray (NSS), acetic acid salt spray (AASS) and copper-accelerated acetic acid salt spray (CASS) tests for assessment of the corrosion resistance of metallic materials, with or without permanent or temporary corrosion protection.
ISO 12944	means the types of paint and paint system commonly used for corrosion protection of steel structures.
ITRH	means industrial transformation research hubs.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Lead Manager and Underwriter	means Morgans.
Lead Manager Mandate	has the meaning given in Section 8.3(f).
Lead Manager Offer	means the offer of 250,000 Shares and up to 1,409,265 Options to Morgans (or its nominees) under this Prospectus.



Lead Manager Offer Application Form	means the Application Form in respect of the Lead Manager Offer.
Licence	has the meaning given in Section 8.2(a).
Licensed Patent Applications	has the meaning given in Section 8.2(a).
Licensed Technology	has the meaning given in Section 8.2(a).
Listing Rules	means the listing rules of ASX.
Material Adverse Effect	means <ul style="list-style-type: none"> (a) a material adverse effect on: <ul style="list-style-type: none"> (i) the success of the Public Offer; (ii) the ability of the Underwriter to market or promote the Public Offer; (iii) the willingness of persons to apply for, or settle obligations to subscribe for, Shares under the Public Offer; or (iv) the price or likely price at which Shares are likely to trade on ASX; or (b) a material adverse effect on the condition, trading or financial position and performance, assets and liabilities, profits and losses, results, prospects, business or operations of the Company or any other Group Member.
Maximum Subscription	means the raising of \$4,000,000 by the acceptance of applications for 20,000,000 Shares at \$0.20 each pursuant to the Public Offer.
Merged Group	means the Company, and its wholly owned subsidiaries, including the GTS Group, after completion of the Acquisition as set out in Section 3.2.
Minimum Subscription	means the raising of \$3,000,000 by the acceptance of applications for 15,000,000 Shares at \$0.20 each pursuant to the Public Offer.
Morgans	means Morgans Corporate Limited (ACN 010 539 607 and AFSL 235 407).
Offer Price	means \$0.20 per Share under the Public Offer.
Offers	means the Public Offer and the Secondary Offers.
Offer Document	means any documents issued or published by or on behalf of the Company in respect of the Public Offer, including this Prospectus, an Application Form, any supplementary prospectus, any written materials that are presented or provided to prospective investors and any advertising or publicity documents, notices or reports.
Official List	means the official list of ASX.
Opening Date	means the first date for receipt of completed Application Forms under the Offers, being 13 October 2020.
Option	means an option to acquire a Share.
Performance Shares	means the 7,000,000 Performance Shares to be issued to the Proposed Directors and Key Management Personnel (or their respective nominees) on the terms and conditions set out in Section 9.2.
PFAS	means Per- and polyfluoroalkyl substances.
Plan	means the Company's Employee Incentive Plan on the terms set out in Section 9.4.
Prescribed Occurrence	means the events specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act as if references to 'the target' were replaced by references to 'the Company'.
Projects	has the meaning in Section 8.2(c).



11 Definitions

Proposed Directors	means Stephen Hunt, Thomas Spurling and Daniel Eddington.
Prospectus	means this prospectus dated Monday, 5 October.
Proposal	has the meaning in Section 8.2(c).
Public Offer	means the public offer of up to 20,000,000 Shares at the Offer Price pursuant to this Prospectus to raise \$4,000,000 before costs.
Public Offer Application Form	means the Application Form in respect of the Public Offer.
Publication	means any media statements, announcements, advertisements, publicity or other materials relating to the Public Offer or the Merged Group published by or on behalf of any Group Member.
Reinstatement	means reinstatement of the Shares to quotation on ASX, following the Company satisfying the requirements set out in chapters 1 and 2 of the Listing Rules.
Related Body Corporate	has the meaning given in section 9 of the Corporations Act.
Research Agreement	has the meaning in Section 8.2(d).
Restriction Agreement	means a restriction agreement in accordance with the Listing Rules to be entered into by a Security holder of the Company.
Secondary Offers	means the Consideration Offer, the Lead Manager Offer and the Adviser Offer.
Section	means a section of this Prospectus.
Securities	means Shares, Options and/or Performance Shares.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Link Market Services Limited (ACN 083 214 537).
Share Sale Agreement	means the share sale agreement dated 21 July 2020 between the Company, GTS and the Proposed Directors which contemplates the Acquisition.
Shareholder	means a holder of one or more Shares.
Strategic Partnership Agreement	has the meaning given in Section 8.2(b).
Tailings	means the materials left over after the process of separating the valuable metals from ores in a mining operation.
Technologies	has the meaning given in Section 8.2(a)(i).
Technology Licence Agreement	means the technology licence agreement between GTS and UoA 6 March 2020 pursuant to which UoA granted GTS an exclusive, worldwide licence to exploit the Licensed Technology.
Underwriting Agreement	has the meaning given in Section 8.3(f).
UoA Agreements	means the Strategic Partnership Agreement, Collaboration Agreement, Research Agreement and Technology Licence Agreement.
UoA or University	means the University of Adelaide.
WST	means Western Standard Time, being the time in Perth, Western Australia.







Annexure A Independent Limited Assurance Report

Pitcher Partners BA&A Pty Ltd

ABN 76 601 361 095

Level 11, 12-14 The Esplanade
Perth WA 6000Postal address
PO Box 5622
St Georges Terrace
Perth WA 6831

p. +61 8 9322 2022

Ref: PM:ml

29 September 2020

The Board of Directors
Acacia Coal Limited
C/- Ventnor Capital
16 Ord Street
WEST PERTH WA 6005

Dear Directors

**INDEPENDENT LIMITED ASSURANCE REPORT ON ACACIA COAL LIMITED (TO BE
RENAMED "SPARC TECHNOLOGIES LIMITED") HISTORICAL AND PRO FORMA
HISTORICAL FINANCIAL INFORMATION**

Pitcher Partners BA&A Pty Ltd ("Pitcher Partners") have been engaged to report on the Historical Financial Information of Acacia Coal Limited (the "Company", or "Acacia Coal") and Pro Forma Historical Financial Information of the Company following the proposed acquisition of Graphene Technology Solutions Limited (the "Proposed Group") as at and for the year ended 30 June 2020.

The Historical Financial Information has been prepared for inclusion in the Prospectus dated on or about 29 September 2020 (the "Prospectus"). The Prospectus proposes to issue a minimum of 15,000,000 Shares at an issue price of \$0.20 each to raise \$3,000,000 before costs. A further 5,000,000 Shares may be issued in order to raise an additional \$1,000,000 before costs (the "Public Offer")

Expressions and terms defined in the Prospectus have the same meaning in this report.

1. Background

Acacia Coal is a publicly listed company on the Australian Securities Exchange ("ASX") which was involved in the exploration and evaluation of mineral assets.

On 22 July 2020, the Company entered into a Share Sale Agreement ("SSA") with key shareholders of Graphene Technology Solutions Limited ("GTS") and GTS in order to acquire 100% of the issued capital of GTS (the "Acquisition"). The Company also entered into ancillary Share Sale Agreements with the remaining GTS shareholders.

Under the key terms of the SSA, the Company will acquire all of the issued shares of GTS in consideration for the issue of 29,500,000 Shares ("Consideration Shares") to the existing shareholders of GTS, on a post consolidation basis (refer below).

All existing Directors of the Company will resign, and nominees of GTS will be appointed to the Board of Directors (the "Proposed Directors"). Completion of the SSA is subject to a number of conditions precedent including a 200 to 1 share consolidation of the existing Shares on issue in the Company, to be approved by Shareholders at the General Meeting to be held on 26 October 2020. Further key terms of the SSA are detailed within section 1.1 of the Prospectus

GTS is an Australian company incorporated on 8 November 2018 with a focus on the commercialisation of a number of Graphene Projects. Further information on GTS can be found within section 3.3 of the Prospectus.

The Acquisition constitutes a significant change in the nature and scale of the Company's activities. The Company has issued a Prospectus to raise additional funds as outlined above, and to re-comply with Chapters 1 and 2 of the ASX listing rules, as if it were seeking admission to the Official List.

2. Scope

Historical Financial Information

The Historical Financial Information of Acacia Coal included in the Prospectus comprises:

- the Statement of Comprehensive Income for the years ended 30 June 2018, 2019 and 2020 (the 'period');
- the Statement of Financial Position as at 30 June 2020; and
- the Statement of Changes in equity for the year ended 30 June 2020

The Historical Financial Information of GTS included in the Prospectus comprises:

- the Statement of Comprehensive Income for the period from 8 November 2018 (date of incorporation) to 30 June 2019, and the year ended 30 June 2020;
- the Statement of Financial Position as at 30 June 2019 and 2020;
- the Statement of Cash Flows for the period from 8 November 2018 (date of incorporation) to 30 June 2019 and the year ended 30 June 2020; and
- the Statement of Changes in Equity for the year ended 30 June 2020

(collectively, the 'Historical Financial Information').

The Historical Financial Information of the Company and GTS has been prepared by Management in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information of the Company has been extracted from the financial report of Acacia Coal for the years ended 30 June 2018, 2019 and 2020, which were prepared by Management and audited by Pitcher Partners BA&A Pty Ltd in accordance with the Australian Auditing Standards. The Historical Financial Information of GTS has been extracted from the financial report of GTS for the year ended 30 June 2020, which were prepared by Management and audited by BDO Audit (SA) Pty Ltd.

Pitcher Partners BA&A Pty Ltd and BDO Audit (SA) Pty Ltd issued unmodified audit opinions on the respective financial reports of the Company and GTS for the Historical Financial Information. The audit opinion of Acacia Coal for the year ended 30 June 2018 and of GTS for the year ended 30 June 2020 included emphasis of matter paragraphs in relation to a Material Uncertainty Related to Going Concern.

The Historical Financial Information of the Company and GTS is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Consolidated Financial Information

You have requested Pitcher Partners to review the following:

- the Pro Forma Consolidated Statements of Financial Position of the Proposed Group as at 30 June 2020; and
- the Pro Forma Consolidated Statement of Changes in Equity of the Proposed Group for the year ended 30 June 2020.

(collectively, the 'Pro Forma Consolidated Historical Financial Information').

The Pro Forma Consolidated Historical Financial Information has been derived from the Historical Financial Information of Acacia Coal, after adjustments by Management for the effects of pro forma adjustments described in section 4 and 5 of this report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as prepared by Management and described in section 4 and 5 of this report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Consolidated Historical Financial Information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of Acacia Coal are responsible for the preparation of the Historical Financial Information and Pro Forma Consolidated Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Consolidated Historical Financial Information. This includes responsibility for such internal control as the directors determine are necessary to enable the preparation of the Historical Financial Information and Pro Forma Consolidated Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Consolidated Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Auditing Standards.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

3. Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Appendices 1 – 3 of this report, and comprising:

- the Statement of Comprehensive Income of Acacia Coal Limited for the years ended 30 June 2018, 2019 and 2020 and the Statement of Comprehensive Income for Graphene Technology Solutions Limited for the period from 8 November 2018 (date of incorporation to 30 June 2019 and the year ended 30 June 2020);
- the Statement of Financial Position of Graphene Technology Solutions Limited as at 30 June 2020;
- The Statement of Cash Flows of Graphene Technology Solutions Limited for the period from 8 November 2018 (date of incorporation to 30 June 2019 and the year ended 30 June 2020); and
- The Consolidated Statement of Financial Position of Acacia Coal Limited for the year ended 30 June 2020

- The Consolidated Statement of Changes in Equity of Acacia Coal Limited for the year ended 30 June 2020 and the Statement of Changes in Equity for Graphene Technology Solutions Limited for the year ended 30 June 2020,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies as described in Appendix 4 of this report.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Consolidated Historical Financial Information being the Statement of Financial Position and Statement of Changes in Equity as at 30 June 2020 of the Proposed Group as described in Appendices 1 -3 is not presented fairly in all material respects, in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies as described in Appendix 4 of this report.

4. Subsequent Events Prior to the Prospectus

- a) On 14 July 2020; GTS issued the following fully paid ordinary shares:
 - 1. 833,334 Shares provided to a consultant in settlement of their outstanding invoice at 30 June 2020 for marketing services provided during;
 - 2. 250,000 Shares provided to a consultant in lieu of technical consulting services provided during the 30 June 2020 year; and
 - 3. 1,250,000 Shares issued to Thomas Spurling in accordance with his executive service agreement with GTS.
- b) In August 2020, Acacia Coal paid an exclusivity fee of \$50,000 (GST excl.) to GTS in accordance with a Heads of Agreement executed between Acacia Coal and GTS. This amount was recorded as revenue by GTS and receivable as at 30 June 2020.

5. Assumptions Adopted in Compiling the Pro Forma Adjustments

The following transactions and events are related to the acquisition and issue of Shares under the Prospectus dated on or about 29 September 2020:

- a) Change of the Company name from Acacia Coal Limited to Sparc Technologies Limited.
- b) The completion of a Consolidation for the existing issued capital of the Company on a 200 to 1 basis.
- c) Pursuant to the Prospectus, the issue of at least 15,000,000 Shares to raise no less than \$3,000,000 before costs (the "Minimum Subscription") and up to 20,000,000 Shares to raise up to \$4,000,000 before costs (the "Maximum Subscription"), at an issue price of \$0.20 per Share under the Public Offer.
- d) Costs of the Public Offer are estimated to be \$408,445 based on the Minimum Subscription or \$469,543 based on the Maximum Subscription, of which \$180,000 (Minimum Subscription) or \$240,000 (Maximum Subscription) is to be offset against Contributed Equity.
- e) The acquisition of GTS via the issue of 29,500,000 Shares to the shareholders of GTS and 7,000,000 Performance Shares to the Proposed Directors of the Proposed Group.
- f) The issue of 250,000 Shares and 1,409,265 Options with an exercise price of \$0.30 and expiry of three years from the date of issue to the Lead Manager in lieu of services provided.
- g) The issue of 375,000 Shares and 750,000 Options with an exercise price of \$0.30 and an expiry of three years from the date of their issue to Discovery Capital Partners in lieu of advisory services provided.

The Shares issued under e) - g) above have been valued in line with the Public Offer at \$0.20 each. Further details surrounding the valuation of Options and Performance Shares to be issued is outlined under Note 8 and 9 of this report.

6. Restriction on Use

Without modifying our conclusions, we draw attention to section 6 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for another purpose.

This report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions on the information contained in this report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

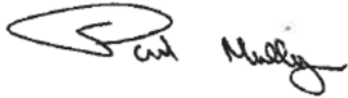
7. Liability

Pitcher Partners has consented to the inclusion of this report in the Prospectus in the form and context in which it is included. The liability of Pitcher Partners is limited to the inclusion of this report in the Prospectus. Pitcher Partners makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

8. Declaration of Interest

Pitcher Partners does not have any interest in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully
PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director

APPENDIX 1

ACACIA COAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020

	Acacia Coal Limited	Acacia Coal Limited	Acacia Coal Limited
	30 June 2020 (Audited) AUD \$	30 June 2019 (Audited) AUD \$	30 June 2018 (Audited) AUD \$
Revenue and other income			
Gain on debt forgiveness	-	-	11,848
Interest income	29,853	33,538	3,474
Net fair value gains on financial assets at fair value through profit or loss	-	34,822	-
Gain on disposal of asset held for sale	-	-	55,000
Other income	-	5,585	-
	<u>29,853</u>	<u>73,945</u>	<u>70,322</u>
Expenses			
Corporate costs	(38,384)	(44,651)	(55,992)
Professional and consultancy fees	(203,745)	(127,101)	(273,254)
Marketing and travel expenses	(7,316)	(191)	(18,784)
Directors' fees	(30,000)	(30,000)	(30,000)
Employee benefit expenses	-	-	(2,403)
Office and administrative expenses	(40,041)	(42,351)	(56,489)
Net fair value loss on financial assets at fair value through profit or loss	(539)	-	(158,748)
Foreign exchange (losses)/gains	-	(2)	3,740
Share based payment expense	-	(290,550)	-
Impairment of exploration assets	(248,697)	-	-
Impairment of other receivables	-	(16,250)	(19,675)
Impairment of RAC project due diligence costs	-	-	(376,375)
Other expenses	(7,333)	(4,806)	(13,314)
Loss before income tax expense	<u>(546,202)</u>	<u>(481,957)</u>	<u>(930,972)</u>
Income tax expense	-	-	-
Loss before other comprehensive income	<u>(546,202)</u>	<u>(481,957)</u>	<u>(930,972)</u>
Other comprehensive income	-	-	-
Total comprehensive loss attributable to equity holders of the parent entity	<u>(546,202)</u>	<u>(481,957)</u>	<u>(930,972)</u>

The Consolidated Statement of Comprehensive Income is to be read in conjunction with notes to and forming part of the Historical and Pro Forma Consolidated Historical Financial Information set out in Appendix 4.

GRAPHENE TECHNOLOGY SOLUTIONS LIMITED
STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 30 JUNE 2020 AND THE PERIOD FROM 8 NOVEMBER 2018
(DATE OF INCORPORATION) TO 30 JUNE 2019**

	Graphene Technology Solutions Limited	Graphene Technology Solutions Limited
	30 June 2020 (Audited)	8 November 2018 to 30 June 2019 (Unaudited)
	AUD \$	AUD \$
Revenue and other income		
Other Income	50,000	-
	<hr/> 50,000	<hr/> -
Less: expenses		
Depreciation and amortisation expense	(4,053)	(281)
Employee benefits expense	(290,101)	-
Research and development expenses	(927,746)	(219,613)
Travel expenses	(42,136)	(8,595)
Consultancy fees	(295,260)	(3,008)
Other expenses	(52,147)	(8,718)
	<hr/> (1,561,443)	<hr/> (240,215)
Profit from continuing operations before income tax		
	(1,561,443)	(240,215)
Income tax benefit/(expense)	135,602	27,188
	<hr/> 135,602	<hr/> 27,188
(Loss)/Profit from continuing operations after income tax		
	(1,425,841)	(213,027)
Other comprehensive income	-	-
	<hr/> -	<hr/> -
Total comprehensive (loss)/income for the year/period		
	<hr/> (1,425,841)	<hr/> (213,027)

The Statement of Comprehensive Income is to be read in conjunction with notes to and forming part of the Historical and Pro Forma Consolidated Historical Financial Information set out in Appendix 4.

GRAPHENE TECHNOLOGY SOLUTIONS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 AND 2020

	Notes	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 8 November 2018 to 30 June 2019 (Unaudited) AUD \$
ASSETS			
Current Assets			
Cash and cash equivalents		53,995	350,006
Trade and other receivables		86,034	27,956
Current tax assets		135,602	27,188
Total Current Assets		<u>275,631</u>	<u>405,150</u>
Non-Current Assets			
Property plant & equipment		79,757	19,929
Total Non-Current Assets		<u>79,757</u>	<u>19,929</u>
TOTAL ASSETS		<u><u>355,388</u></u>	<u><u>425,079</u></u>
LIABILITIES			
Current Liabilities			
Trade and other payables		418,417	193,466
Total Current Liabilities		<u>418,417</u>	<u>193,466</u>
TOTAL LIABILITIES		<u><u>418,417</u></u>	<u><u>193,466</u></u>
NET ASSETS		<u><u>(63,029)</u></u>	<u><u>231,613</u></u>
EQUITY			
Contributed equity		1,328,639	444,640
Reserves		247,200	-
(Accumulated losses)		<u>(1,638,868)</u>	<u>(213,027)</u>
TOTAL EQUITY		<u><u>(63,029)</u></u>	<u><u>231,613</u></u>

The Statement of Financial Position is to be read in conjunction with notes to and forming part
of the Historical and Pro Forma Consolidated Historical Financial Information set out in
Appendix 4.

**GRAPHENE TECHNOLOGY SOLUTIONS LIMITED
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2020 AND THE PERIOD FROM 8 NOVEMBER 2018
(DATE OF INCORPORATION) TO 30 JUNE 2019**

	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 8 November 2018 to 30 June 2019 (Unaudited) AUD \$
Cash Flows From Operating Activities		
Payments to suppliers	(639,316)	(74,424)
<i>R&D tax refund</i>	27,188	
Netcash used in operating activities	<u>(612,128)</u>	<u>(74,424)</u>
 Cash flow from investing activities		
Payment for non-current assets	<u>(63,881)</u>	<u>(20,210)</u>
<i>Net cash used in investing activities</i>	<u>(63,881)</u>	<u>(20,210)</u>
 Cash flow from financing activities		
Proceeds from issue of shares	<u>379,998</u>	<u>444,640</u>
Net cash provided by financing activities	<u>379,998</u>	<u>444,640</u>
 Reconciliation of cash		
Cash at beginning of the financial year/period	350,006	-
Net (decrease)/increase in cash held	<u>(296,011)</u>	<u>350,006</u>
<i>Cash at end of the financial year/period</i>	53,995	350,006

The Statement of Cash Flows is to be read in conjunction with notes to and forming part of the Historical and Pro Forma Consolidated Historical Financial Information set out in Appendix 4.

APPENDIX 2

ACACIA COAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Subsequent Event Adjustments AUD \$	Pro Forma Adjustments \$3 million AUD \$	Pro Forma Adjustments \$4 million AUD \$	Pro Forma After Issue \$3 million AUD \$	Pro Forma After Issue \$4 million AUD \$
ASSETS								
Current Assets								
Cash and cash equivalents	2	2,245,345	53,995	-	2,591,555	3,530,457	4,890,895	5,829,797
Trade and other receivables		12,257	86,034	(50,000)	-	-	48,291	48,291
Current tax assets		16,501	135,602	-	-	-	152,103	152,103
Total Current Assets		2,274,103	275,631	(50,000)	2,591,555	3,530,457	5,091,289	6,030,191
Non-Current Assets								
Property plant & equipment		-	79,757	-	-	-	79,757	79,757
Financial assets (at fair value through profit or loss)		179	-	-	-	-	179	179
Total Non-Current Assets		179	79,757	-	-	-	79,936	79,936
TOTAL ASSETS		2,274,282	355,388	(50,000)	2,591,555	3,530,457	5,171,225	6,110,127
LIABILITIES								
Current Liabilities								
Trade and other payables	3	59,115	418,417	(100,000)	-	-	377,532	377,532
Total Current Liabilities		59,115	418,417	(100,000)	-	-	377,532	377,532
TOTAL LIABILITIES		59,115	418,417	(100,000)	-	-	377,532	377,532
NET ASSETS		2,215,167	(63,029)	50,000	2,591,555	3,530,457	4,793,693	5,732,595

ACACIA COAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Subsequent Event Adjustments AUD \$	Pro Forma Adjustments \$3 million AUD \$	Pro Forma Adjustments \$4 million AUD \$	Pro Forma After Issue \$3 million AUD \$	Pro Forma After Issue \$4 million AUD \$
EQUITY								
Contributed equity	4	42,669,310	1,328,639	280,000	(37,064,556)	(36,390,909)	7,213,393	7,887,040
Reserves	5	3,563,408	247,200	(180,000)	(2,392,035)	(2,392,035)	1,238,573	1,238,573
Accumulated losses	6	(44,017,551)	(1,638,868)	(50,000)	42,048,146	42,313,401	(3,658,273)	(3,393,018)
TOTAL EQUITY		2,215,167	(63,029)	50,000	2,591,555	3,530,457	4,793,693	5,732,595

The reviewed Pro Forma Consolidated Statement of Financial Position after the Prospectus is as per the Consolidated Statement of Financial Position of the Company and of GTS before the Prospectus adjusted for the subsequent events and Pro Forma transactions outlined in sections 4 and 5 of this report relating to the issue of Shares pursuant to the Prospectus and the Acquisition. The Consolidated Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Historical and Pro Forma Consolidated Historical Financial Information set out in Appendix 4.

APPENDIX 3

ACACIA COAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2020

	Acacia Coal Limited	Graphene Technology Solutions Limited	Subsequent Event	Pro Forma Adjustments	Pro Forma Adjustments	Pro Forma After Issue	Pro Forma After Issue
	30 June 2020 (Audited)	30 June 2020 (Audited)	Adjustments	\$3 million	\$4 million	\$3 million	\$4 million
	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$
Opening Balance 1 July 2019							
- Contributed equity	42,669,310	444,640	-	(42,669,310)	(42,669,310)	444,640	444,640
- Reserves	3,563,408	-		(3,563,408)	(3,563,408)	-	-
- Accumulated losses	(43,471,349)	(213,027)		43,471,349	43,471,349	(213,027)	(213,027)
	2,761,369	231,613	-	-	-	231,613	231,613
Comprehensive income for the year:							
Profit/(Loss) for the period attributable to owners of the Company	(546,202)	(1,425,841)	(50,000)	(1,423,203)	(1,688,458)	(3,445,246)	(3,710,501)
Total comprehensive loss attributed to members	(546,202)	(1,425,841)	(50,000)	(1,423,203)	(1,688,458)	(3,445,246)	(3,710,501)
Transactions with owners in their capacity as owners:							
Shares issued during the year less transaction costs	-	883,999	280,000	5,604,754	6,808,911	6,768,753	8,238,165
Share based payments	-	247,200	(180,000)	1,171,373	1,171,373	1,238,573	1,238,573
Total transactions with owners	-	1,131,199	100,000	6,776,127	7,980,284	8,007,326	9,211,483
Closing balance 30 June 2020	2,215,167	(63,029)	50,000	6,154,963	7,093,865	4,793,693	5,732,595

The reviewed Pro Forma Consolidated Statement of Changes in Equity after the Prospectus is as per the Consolidated Statement of Changes in Equity of the Company and GTS before the Prospectus adjusted for the subsequent events and Pro Forma transactions outlined in sections 4 and 5 of this report relating to the issue of Shares pursuant to the Prospectus and the Acquisition. The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Historical and Pro Forma Consolidated Historical Financial Information set out in Appendix 4.

**ACACIA COAL LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL
AND PRO FORMA CONSOLIDATED HISTORICAL FINANCIAL INFORMATION**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1. REPORTING ENTITY**

The significant accounting policies adopted in the preparation of the Historical Financial Information and Pro Forma Consolidated Historical Financial Information included in this report have been set out below.

A. Basis of Preparation of Historical and Pro Forma Consolidated Historical Financial Information

The Historical and Pro Forma Consolidated Historical Financial Information has been prepared in accordance with the recognition and measurement, but not all the presentation and disclosure requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The Historical and Pro Forma Consolidated Historical Financial Information has been prepared on a historical cost basis and except where stated does not take in to account changing money values or current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Singapore dollars.

The accounting policies and methods of computation adopted in the preparation of this Historical and Pro Forma Consolidated Historical Financial Information, apart from the significant accounting policies set out below, are consistent with those adopted in the annual financial statements for the year ended 30 June 2020.

B. Going concern

The Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

On 22 July 2020, the Group announced, subject to shareholder approval and meeting the ASX requirements, the acquisition of 100% of the shares in Graphene Technology Solutions Limited (the Proposed Transaction). A condition precedent to the Proposed Transaction is the Group raising additional funding of at least \$3,000,000. Accordingly, the Directors consider that \$3,000,000, in addition to existing cash reserves will be sufficient to ensure that the Group will be in a position to meet its committed operational and administrative expenditure and thus continue to operate as a going concern for a period of at least 12 months from the date of this report should the Proposed Transaction occur.

Accordingly, the consolidated financial report has been prepared utilising the going concern basis of accounting.

C. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with AASB's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, assumptions and estimation in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are disclosed below:

Share based payments

The Group measures the cost of equity-settled transactions with employees, Directors, Key Management Personnel, service providers and for tenements acquired by reference to the fair value of the options at the date at which they are granted. The fair value at grant date is determined using the Black-Scholes option pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, expected volatility of the underlying share, and the risk free interest rate for the term of the option.

D. Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

E. Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, and short-term deposits with original maturities of three months or less. For the consolidated statement of cash flows presentation purposes, cash and cash equivalents also includes any bank overdrafts.

F. Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

G. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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.

H. Contributed equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

I. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the consolidated statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the consolidated statement of financial position.

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

J. Share based payments

The Board may at its discretion, provide equity-settled and cash-settled share-based compensation benefits to employees, Directors, Key Management Personnel, service providers and for tenements acquired from time to time.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services or to incentivise future performances. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted.

The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

K. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

L. Comparative amounts

Where necessary, comparative figures have been reclassified and repositioned for consistency with current year disclosures.

NOTE 2. CASH AND CASH EQUIVALENTS

	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Pro Forma After Issue \$3 million AUD \$	Pro Forma After Issue \$4 million AUD \$
Cash and cash equivalents	2,245,345	53,995	4,890,895	5,829,797
Acacia Coal Limited balance at 30 June 2020			2,245,345	2,245,345
Graphene Technology Solutions Limited balance at 30 June 2020			53,995	53,995
<i>Adjustments arising in the preparation of the pro forma cash and cash equivalents balance are summarised as follows:</i>				
Proceed from Shares issued under this Prospectus			3,000,000	4,000,000
ASX share listing costs			(408,445)	(469,543)
Pro Forma balance			4,890,895	5,829,797

NOTE 3. TRADE AND OTHER PAYABLES

	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Pro Forma After Issue \$3 million AUD \$	Pro Forma After Issue \$4 million AUD \$
Trade and other payables	59,115	418,417	377,532	377,532
Acacia Coal Limited balance at 30 June 2020			59,115	59,115
Graphene Technology Solutions Limited balance at 30 June 2020			418,417	418,417
<i>Subsequent events adjustments:</i>				
833,334 Shares provided to a consultant in settlement of their outstanding invoice for marketing services provided			(100,000)	(100,000)
Pro Forma balance			377,532	377,532

NOTE 4. CONTRIBUTED EQUITY

	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Pro Forma After Issue \$3 million AUD \$	Pro Forma After Issue \$4 million AUD \$
Contributed equity	42,669,310	1,328,639	7,213,393	7,887,040
	<u>Number of Ordinary Shares</u>			
	<u>MIN</u>	<u>MAX</u>	<u>\$</u>	<u>\$</u>
Acacia Coal Limited balance at 30 June 2020	4,067,651,670	4,067,651,670	42,669,310	42,669,310
Graphene Technology Solutions Limited balance at 30 June 2020	29,910,100	29,910,100	1,328,639	1,328,639
<i>Subsequent events adjustments:</i>				
250,000 Shares provided to a consultant in lieu of technical consulting services provided	250,000	250,000	30,000	30,000
833,334 Shares provided to a consultant in settlement of their outstanding invoice for marketing services provided	833,334	833,334	100,000	100,000
1,250,000 Shares issued to Thomas Spurling in accordance with his executive service agreement	1,250,000	1,250,000	150,000	150,000
Share consolidation on a 1:200 basis	(4,047,313,412)	(4,047,313,412)	-	-
<i>Adjustments arising in the preparation of the pro forma contributed capital balance are summarised as follows:</i>				
Elimination of the contributed equity of Acacia Coal Limited and ordinary shares on issue for Graphene Technology Solutions Limited on consolidation	(29,910,100)	(29,910,100)	(42,669,310)	(42,669,310)
29,500,000 Shares issued to the shareholders of Graphene Technology Solutions Pty Ltd to acquire 100% of the company.	29,500,000	29,500,000	2,659,754	2,394,499
250,000 Shares provided to the Lead Manager in lieu of services provided	250,000	250,000	50,000	50,000
375,000 Shares provided to Discovery Capital Partners for advisory services provided	375,000	375,000	75,000	75,000
Proceeds from Shares issued under this Prospectus	15,000,000	20,000,000	3,000,000	4,000,000
ASX share listing costs	-	-	(180,000)	(241,098)
Pro Forma balance	67,796,592	72,796,592	7,213,393	7,887,040

NOTE 5. RESERVES

	Acacia Coal Limited 30 June 2020 (Audited) \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) \$	Pro Forma After Issue \$3 million AUD \$	Pro Forma After Issue \$4 million AUD \$
Share based payments reserve	2,910,630	247,200	-	-
Performance share reserve	652,778	-	1,238,573	1,238,573
	3,563,408	247,200	1,238,573	1,238,573

Acacia Coal Limited balance at 30 June 2020

3,563,408

Graphene Technology Solutions Limited balance at 30 June 2020

247,200

Subsequent events adjustments:

250,000 Shares provided to a consultant in lieu of technical consulting services provided

(30,000)

1,250,000 Shares issued to Thomas Spurling in accordance with his executive service agreement

(150,000)

Elimination of the reserves of Acacia Coal Limited on consolidation

(3,563,408)

7,000,000 Performance Shares to be issued to Proposed Directors and Key Management Personnel

992,516

1,409,265 Options with an exercise price of \$0.30 and an expiry of three years from the date of their issue provided to the Lead Manager in lieu of services provided

116,733

750,000 Options with an exercise price of \$0.30 and an expiry of three years from the date of their issue provided to Discovery Capital Partners for advisory services provided

62,124

Pro Forma balance

1,238,573

NOTE 6. ACCUMULATED LOSSES

	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Graphene Technology Solutions Limited 30 June 2020 (Audited) AUD \$	Pro Forma After Issue \$3 million AUD \$	Pro Forma After Issue \$4 million AUD \$
Accumulated losses	(44,017,551)	(1,638,868)	(3,658,273)	(3,393,018)
Acacia Coal Limited balance at 30 June 2020			(44,017,551)	(44,017,551)
Graphene Technology Solutions Limited balance at 30 June 2020			(1,638,868)	(1,638,868)
<i>Subsequent events adjustments:</i>				
Payment by Acacia Coal Limited of a exclusivity fee to Graphene Technology Solutions Limited during due diligence process			(50,000)	(50,000)
<i>Adjustment arising in the preparation of the pro forma retained earnings balance are summarised as follows</i>				
Elimination of the accumulated losses of Acacia Coal Limited on consolidation			44,017,551	44,017,551
Elimination of transactions between Acacia Coal Limited and Graphene Technology Solutions Limited on consolidation			-	-
Amount recognised as an ASX listing expense upon acquisition of Acacia Coal Limited			(1,437,103)	(1,171,848)
250,000 Shares provided to the Lead Manager in lieu of services provided			(50,000)	(50,000)
375,000 Shares provided to Discovery Capital Partners for advisory services provided			(75,000)	(75,000)
1,409,265 Options with an exercise price of \$0.30 and an expiry of three years from the date of their issue provided to the Lead Manager in lieu of services provided			(116,733)	(116,733)
750,000 Options with an exercise price of \$0.30 and an expiry of three years from the date of their issue provided to Discovery Capital Partners for advisory services provided			(62,124)	(62,124)
ASX share listing costs			(228,445)	(228,445)
Pro Forma balance			(3,658,273)	(3,393,018)

NOTE 7. RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in section 7.5 of the Prospectus.

The Board of Directors of the Company at the date of this report are:

- Mr Adam Santa Maria;
- Mr Logan Robertson; and
- Mr Brett Lawrence.

Upon completion of the Acquisition, the above Directors will resign and the following Nominees of GTS will be appointed to the Board of Directors:

- Mr Stephen Hunt;
- Mr Thomas Spurling; and
- Mr Daniel Eddington.

The holdings of Shares, Directors' remuneration and other Directors' interests of both the above named individuals has been set out in sections 7.3 and 7.4 of the Prospectus.

NOTE 8. OPTIONS

As at the date of this report there following Options were on issue in the Company.

Date options granted	Number of unissued shares under option	Exercise price per option	Expiry date of options
05 Dec 2016	42,500,000	\$0.006	05 Dec 2021
09 Aug 2018	195,000,000	\$0.0015	09 Aug 2023
08 Nov 2018	75,000,000	\$0.0015	08 Nov 2020
Total	312,500,000		

The Company intends to complete a Consolidation of its issued capital on a 200 to 1 basis prior to completion of the Acquisition. As a result, upon completion of the Consolidation, the above options will therefore be as follows:

Date options granted	Number of unissued shares under option	Exercise price per option	Expiry date of options
05 Dec 2016	212,500	\$1.20	05 Dec 2021
09 Aug 2018	975,000	\$0.30	09 Aug 2023
08 Nov 2018	375,000	\$0.30	08 Nov 2020
Total	1,562,500		

The fair value of options to be issued under the Prospectus have been valued utilising a Black-Scholes-Merton Option Pricing Model with the following inputs:

Inputs into valuation	Lead Manager Options	Discovery Capital Partners Options
Option Exercise Price	\$0.30	\$0.30
Underlying Share Price	\$0.20	\$0.20
Term to Expiry	3 years	3 years
Risk Free rate (%)	0.27%	0.27%
Volatility	80%	80%
Fair value of each Option	0.0828	0.0828
<i>Number of Options to be issued</i>	<i>1,409,265</i>	<i>750,000</i>
Fair value ascribed	116,733	62,124

For further details surrounding the above outlined options which will be issued, refer to section 9.3 of the Prospectus.

NOTE 9. PERFORMANCE SHARES

It is intended that 7,000,000 Performance Shares will be issued under an Employee Securities Incentive Plan to the Proposed Directors and Key Management Personnel (or their respective nominees) of the Company upon completion of the Acquisition. The Performance Shares will convert into Shares in the Company on a one-for-one basis where on satisfaction of the following milestone:

- (i) GTS generates annual Operating Revenue of at least \$3 million from the Graphene Projects or Graphene Technology over an audited financial year; and
- (ii) the Company achieves a market capitalisation (based on the Company's VWAP) of \$50 million or more.

The Performance Shares were valued using a Monte Carlo Option Pricing Model with the following inputs:

Inputs into valuation	Stephen Hunt	Daniel Eddington	Thomas Spurling	Adrien Wing
Exercise Price	NIL	NIL	NIL	NIL
Underlying Share Price	\$0.20	\$0.20	\$0.20	\$0.20
Term to Expiry	5 years	5 years	5 years	5 years
Risk Free rate (%)	0.41	0.41	0.41	0.41
Volatility	80%	80%	80%	80%
Target Market Capitalisation (\$)	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Number of iterations	50,000	50,000	50,000	50,000
Fair value of each Performance Share	0.1418	0.1418	0.1418	0.1418
<i>Number of Performance Shares to be issued</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,250,000</i>	<i>750,000</i>
Fair value ascribed	\$283,576	\$283,576	\$319,023	\$106,341

For further details on the terms and conditions of the Performance Shares to be issued, refer to Section 9.2 of the Prospectus.

NOTE 10. PROVISIONAL ACCOUNTING FOR THE ACQUISITION

A summary of the details with respect of the Acquisition as included in our Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 30 June 2020, and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, being the date all of the conditions precedent within the Share Sale Agreement have been met (refer to section 1.1 of the Prospectus for further details).

Under the Acquisition, Acacia Coal Limited acquires all of the shares in GTS by issuing the following:

- 29,500,000 Consideration Shares on a post Consolidation basis;
- 7,000,000 Performance Shares (Refer to Note 7 above)

The above consideration would result in GTS acquiring 59% (excluding shares issued under this Prospectus and the potential conversion of Performance Shares) of Acacia Coal, giving it a controlling interest in the Proposed Group following Acquisition.

GTS has been deemed the acquirer for accounting purposes and therefore there are no fair value adjustments on acquisition for the assets of GTS, as the transaction does not fall within the scope of *AASB 3 Business Combinations*.

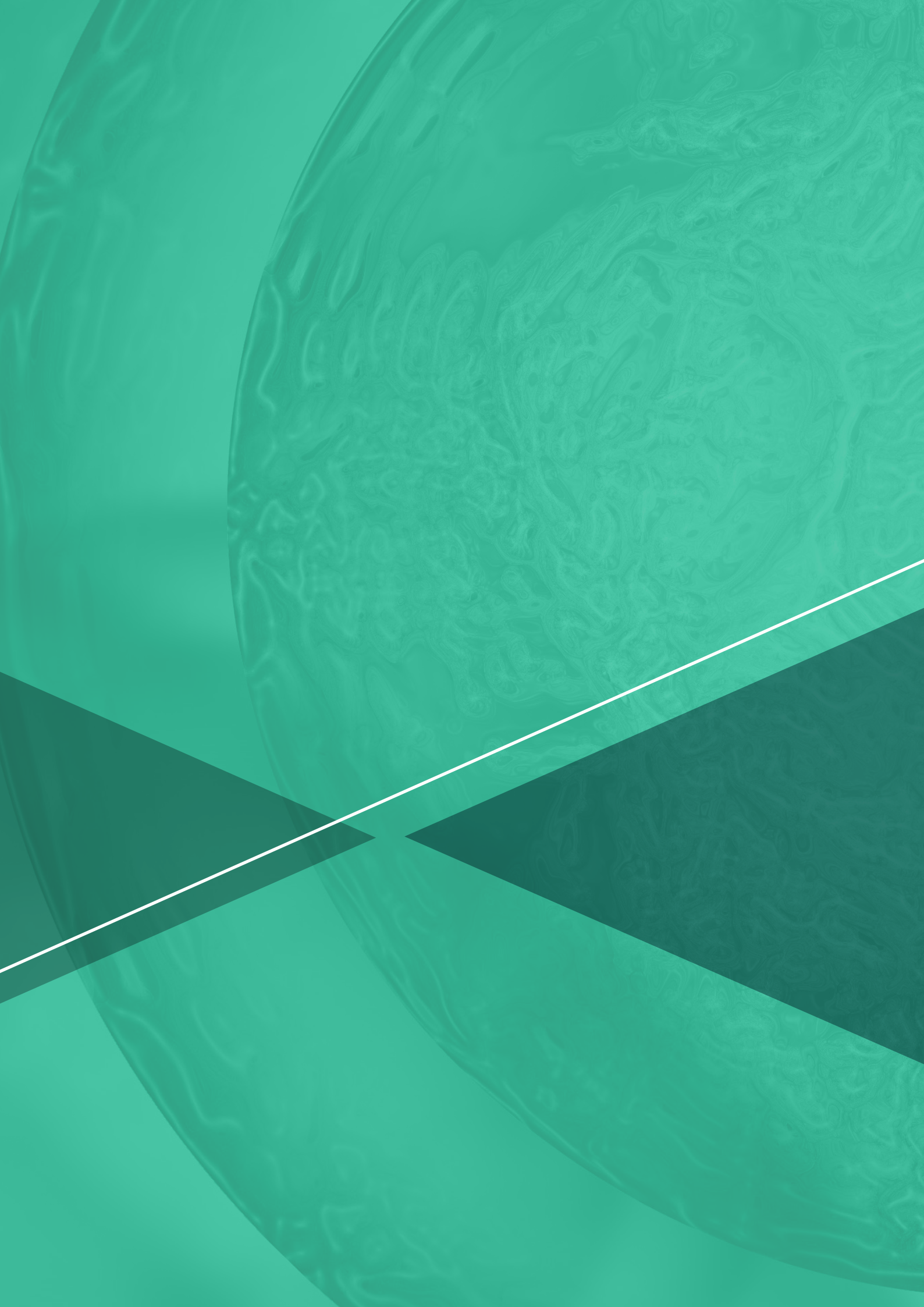
As such, the most appropriate treatment for the Acquisition is to account for it under *AASB2 Share-Based-Payments*, whereby GTS is deemed to have issued shares to Acacia Coal in exchange for the net assets held by Acacia Coal.

The fair value of the Shares and Performance Shares provided to shareholders of GTS has been determined as the notional number of equity instruments that the shareholders would have had to issue to Acacia Coal to give the same percentage ownership in the combined pro-forma consolidated group.

We have deemed this amount to be \$3,652,270 assuming the Minimum Subscription is met, or \$3,387,015 assuming the Maximum Subscription is met, which is split between equity and reserves.

The pre-acquisition equity balance of Acacia Coal is eliminated against the increase in Share Capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of GTS, being as follows:

	Acacia Coal Limited 30 June 2020 (Audited) AUD \$	Pro Forma Adjustments \$3 million AUD \$	Pro Forma Adjustments \$4 million AUD \$
Net assets acquired:			
Cash and cash equivalents	2,245,345		
Trade and other receivables	12,257		
Current tax assets	16,501		
Financial assets (at fair value through profit or loss)	179		
Trade and other payables	(59,115)		
Net assets of Acacia Coal Limited prior to Acquisition	2,215,167		
Fair value of consideration for Acquisition (split between equity and reserves)		3,652,270	3,387,015
Amount recognised as an ASX listing expense upon Acquisition		(1,437,103)	(1,171,848)





Annexure B Intellectual Property Report

Our Ref: 922708

2 October 2020

The Directors

Acacia Coal Limited
Ground Floor, 16 Ord Street
West Perth
PERTH WA 6005

Dear Directors

Graphene Technology Solutions Ltd Intellectual Property Report

1. Background and Scope

- (a) We have been instructed by Graphene Technology Solutions Ltd ACN 629 889 550 (**GTS**) to prepare an Intellectual Property Report outlining the current intellectual property (**IP**) position of GTS in the context of registrable IP regimes and other relevant forms of common law IP protection.
- (b) We understand that this Report is required for inclusion in a Prospectus to be issued by Acacia Coal Limited (**AJC**) in connection with AJC's purchase of the issued shares in GTS in consideration for the issue of securities in AJC to the current shareholders of GTS (**Prospectus**).
- (c) We are instructed that GTS has no related bodies corporate, as that term is defined in the *Corporations Act 2001* (Cth).
- (d) Section 3 of this Report provides an overview of the regimes for the granting of patents and registration of trade marks, together with the systems of protection for copyright and confidential information (trade secrets or know how).
- (e) Section 4 of this Report provides a summary of GTS's rights in relation to IP.

2. Accuracy and Limitations

- (a) The information in this Report is accurate to the best of our knowledge subject to any limitations and qualifications set out in the report and current as of 2 October 2020.

Adelaide
Brisbane
Canberra
Darwin
Hobart
Melbourne
Norwest
Perth
Sydney

Doc ID 773276193/v2

Level 21, Westpac House, 91 King William Street, Adelaide SA 5000 Australia
GPO Box 286, Adelaide SA 5001 Australia

Telephone +61 8 8205 0800
Facsimile 1300 464 135 (Australia) +61 2 8507 6585 (International)
hwlebsworth.com.au

ABN 37 246 549 189

- (b) HWL Ebsworth Lawyers is not aware of any material changes to the status of the matters outlined below.
- (c) We express no opinion on factual matters or any matter requiring skill or expertise of a non-legal nature, such as technical, operational, financial, statistical, taxation, accounting or commercial matters.
- (d) The views expressed in this Report are based on the laws and legislation of the Commonwealth of Australia which are in effect as at the date of this Report. We express no opinion about the laws or legislation of any jurisdiction other than the Commonwealth of Australia. We do not hold ourselves out as having expertise or knowledge of the law or legislation outside of the Commonwealth of Australia. Accordingly, any statements or comments made in relation to intellectual property systems that are not governed by the laws of the Commonwealth of Australia have been from a common sense perspective only.

3. Overview of Intellectual Property Rights

As further described in Section 4, based on our searches and the materials provided to us, GTS has rights in or title to various forms of IP, including but not limited to patents and trade secrets. We set out below a brief overview of the IP regimes relevant to GTS, being patents, trade marks, confidential information and copyright. This Report does not deal with other forms of IP, such as registered designs, plant breeder's rights or electronic circuit layouts.

3.1 Patents

- (a) A patent is a legally enforceable right granted by the patent office of a country in return for disclosure and publication of an invention.
- (b) The right allows the patent owner to exploit the invention and authorise another person to do the same. The owner of a patent has exclusive rights to manufacture, sell, hire, use, import or keep the product or processes protected by the patent in the countries in which protection has been granted.
- (c) Third parties exercising any patent rights in relation to the invention without permission of the patent owner will be liable for patent infringement, but it should be noted that enforcement of these rights against infringing parties is the responsibility of the patent owner.
- (d) Generally, an invention is patentable if it is novel and involves an inventive step when compared with the prior art base at the priority date of the patent application. In other words, the invention must be new or different from what is known and publically available in the art at the priority date, and the invention must not be obvious to a person skilled in the art when considering prior art.

- (e) However, it should be noted that the grant of a patent does not:
 - (i) guarantee the validity or enforceability of the patent. For example, it is possible for third parties to challenge the validity of the right if sued for infringement by the patent owner; or
 - (ii) provide the patent owner with a defence to infringement of another granted patent. Use of an invention protected by a granted patent may still infringe the rights in another, earlier, granted patent.
- (f) A patent is granted for a limited term, usually 20 years from the filing date of the application, and is subject to payment of renewal or maintenance fees to keep it in force within this period. Once the prescribed term expires, or if the patent is not maintained, protection will cease and the invention will be available for use by parties without restriction.
- (g) Although patents are granted on a territory basis, the Patent Cooperation Treaty (**PCT**) which is administered by the World Intellectual Property Organisation (**WIPO**) can streamline the application process if patents are sought in multiple countries. An applicant in a PCT member state can file an international patent application, known as a PCT application, with WIPO and designate territories for patent protection. The PCT application is then converted into national applications and will undergo examination in the patent offices of the designated territories.
- (h) In accordance with the Paris Convention for the Protection of Industrial Property (**Paris Convention**), filing of an initial patent application in a member state of the convention will establish a priority date for the invention in that state and any other member state in which the patent application is subsequently filed, provided that the subsequent applications are filed within 12 months of the initial filing.
- (i) In Australia, a patent for an invention may only be granted to a person who:
 - (i) is the inventor;
 - (ii) would on grant of the patent for the invention, be entitled to have the patent assigned to him or her; or
 - (iii) derives title to the invention from any one of the aforementioned persons.

The inventor is the primary party from whom the persons mentioned above at Sections 3.1(i)(ii) and 3.1(i)(iii) will derive their title to the patent. Although not expressly defined under Australian law, an inventor is generally accepted to be a person that has contributed materially to the concept of the invention.

- (j) Parties seeking to claim entitlement or ownership of a patent, or a patentable invention, must be able to demonstrate a proper transfer of rights to the patent or invention from the inventor. This is usually established through contractual arrangements between the parties.

- (k) In Australia and most other countries, if the invention was developed by an employee in performance of his or her employment contract, the invention and associated patent rights will belong to the employer. This position is usually reinforced and expressly provided for in the employee's employment contract. If the invention was developed by a third party contractor, the general rule is that the invention and related patent rights will be owned by the contractor, unless the contract dictates otherwise.
- (l) In Australia, an assignment of a legal interest in a patent must be in writing, signed by or on behalf of the assignor and assignee.

3.2 Trade Marks

- (a) Trade marks act as badges of origin and allow consumers to distinguish between different businesses' goods and services. Trade marks can include, but are not limited to, words, logos, jingles and packaging.
- (b) In Australia, and in most other jurisdictions, trade marks can be used without being registered, but registration provides the owner with exclusive legal rights to use, licence or sell the mark. It is against the law to use someone else's trade mark, whether or not it is registered.
- (c) Rights in an unregistered mark may be protected by seeking injunctions or other remedies against parties using a substantially similar mark on the basis that those parties are engaging in:
 - (i) the common law tort of passing off; or
 - (ii) misleading or deceptive conduct in contravention of section 18 of the Australian Consumer Law, Schedule 2 of the *Competition and Consumer Act 2010* (Cth).
- (d) To be eligible for registration, a trade mark must be capable of distinguishing the applicant's goods or services from those of other parties. Marks that are merely descriptive, substantially identical or deceptively similar to an existing registered trade mark in the same or similar classes will be rejected for registration unless there is evidence providing that the mark has acquired distinctiveness through prior use.
- (e) If the abovementioned issues are not identified in a trade mark application, the application will be accepted and advertised for opposition by third parties. If no successful oppositions are lodged, the trade mark will proceed to registration.
- (f) Registration of a trade mark:
 - (i) does not guarantee its enforceability. Third parties may challenge the validity of a trade mark on a number of grounds, including non-use of the mark; and

- (ii) does provide the owner of the mark with a defence to infringement of another registered trade mark. However, the defence does not protect against proceedings for the tort of passing off or for breaches of the consumer law prohibition on misleading and deceptive conduct.
- (g) Parties are generally eligible to seek trade mark registration provided that they are using or intend to use, or have authorised, or intend to authorise use of the trade mark in relation to the goods and/or services covered in the application.

3.3 Copyright

- (a) Copyright protects the original expression of ideas which can come in the form of literary, dramatic, musical and artistic works, cinematograph films, sound recordings, broadcasts and published editions. Computer programs and software are considered literary works capable of protection by copyright.
- (b) Rights of the copyright owner will depend on the type of work or subject matter protected. Generally, an owner of copyright in a literary, dramatic or musical work has exclusive rights to reproduce the work in a material form, publish it, perform it in public, communicate it to the public and make an adaptation of it. An owner of copyright in an artistic work has similar reproduction, publication and communication rights, but does not have equivalent rights to perform in public or make an adaptation.
- (c) A copyright owner also has the right to authorise use of its copyright, or assign the copyright to third parties. Use of the copyrighted work without permission of the owner constitutes copyright infringement.
- (d) In order for copyright to arise, the work involved must be 'original'. This does not require the work to be novel, but merely the author's original work, not copied from elsewhere.
- (e) Copyright in most territories arises and exists automatically from the moment the work is created. Some countries such as the United States have voluntary systems in which copyright can be registered, but it should be noted that registration does not give rise to copyright. It merely creates a public record of ownership which can assist in legal claims. There is no copyright registration system in Australia.
- (f) Internationally, copyright protection and treatment is made consistent through the Berne Convention for the Protection of Literary and Artistic Works 1886. Under this convention, each member state must afford national treatment to copyright works originating in other member countries. Most major nations including Australia, the United States, Canada and Sweden are parties to this Convention. This means that a literary or artistic work originating from Australia will be protected in these countries, in the manner provided for by their laws. Accordingly, if an Australian work is infringed in the United States, the copyright owner is entitled to initiate

infringement proceedings in the United States and receive legal remedies upon infringement as with any copyright owner in the United States.

- (g) Copyright in a work will be owned by the owner of that work, unless:
 - (i) the author undertook the work in the conduct of his or her employment, in which case copyright will be owned by his or her employer; or
 - (ii) ownership of the copyright has been assigned in writing.

3.4 Confidential Information

- (a) Generally, any confidential information that is commercially valuable and gives a business a competitive edge may be considered know how or trade secret. This includes technical information, such as information concerning manufacturing processes, software algorithms, financial information and commercial information such as distribution methods, lists of suppliers and details of clients.
- (b) Know how and trade secrets can be protected in a number of ways, including the following:
 - (i) taking active steps within the organisation to ensure that trade secrets and know how are treated and managed as highly confidential information;
 - (ii) maintaining a database to document, record and manage the storage, transfer and release of such information; and
 - (iii) entering into contractual arrangements with employees, potential collaborators, partners and other third parties which impose confidentiality obligations and restrict use of the information. Unauthorised acquisition, use or disclosure of trade secrets is then regarded as breach of contract.

The common law also provides for remedies for breach of confidentiality, where the recipient of the information knew or ought to have known that the information in question was confidential to the discloser.

4. GTS's IP

Our findings in relation to GTS's IP rights are based on information and documents provided to us by GTS and The University of Adelaide (**UoA**) and its patent attorneys, and confirmed by conducting searches of patent databases administered by WIPO and various IP offices in territories considered of importance to GTS. We have also conducted brief searches for miscellaneous rights that GTS may hold with respect to trade marks, copyright, business names and domain names.

4.1 Licensed Technology

- (a) GTS derives its rights to use certain graphene-related technologies under licensing arrangements with UoA, rather than owning any patents or patent applications directly. The scope and terms of these arrangements therefore dictate the scope and certainty of GTS's IP rights.
 - (b) UoA has granted GTS an exclusive, worldwide licence to exploit (including the right to sub-license) (**Licence**):
 - (i) the technologies described as follows:
 - (A) the present invention provides composite material having a porous graphene-based foam matrix and comprising porous inorganic micro-particles and metal oxide nano-particles distributed throughout the foam matrix;
 - (B) a low density foam material and methods for making such, comprising self-assembled graphene oxide in foam is described having high performance acoustic absorption as well as increased moisture insulation and fire-retardant properties. The graphene oxide material is inserted or distributed within openings of open cell/pore foam material resulting in a novel foam material that has increased acoustic absorption properties;
 - (C) the present invention relates in general to graphene-based materials. In particular, the invention relates to a graphene-based composite, a substrate comprising the composite, a method of preparing the composite and applications of the composite,
 - (the **Technologies**);
 - (ii) the patent applications specified in Section 4.2(a) (**Licensed Patent Applications**); and
 - (iii) the confidential unpatented technical information and know how relating to the Technologies, as well as any confidential information in such information and know how,
- (**Licensed Technology**) under a Technology Licence Agreement dated 6 March 2020 (**Technology Licence Agreement**).
- (c) The Licence is subject to the terms and conditions of the Technology Licence Agreement, including notably that:
 - (i) UoA may notify GTS of limitations or restrictions applying to Licensed Technology at the time of making it available to GTS, and GTS must comply with such limitations or restrictions, which may limit GTS's rights to exploit the Licensed Technology - UoA has confirmed to us as at the date of this Report that this is UoA's

standard position and no such limitations or restrictions have been notified by UoA to GTS;

- (ii) GTS must obtain UoA's prior written approval to any grant of a sub-licence or sub-contract (other than to one of its affiliates); and
 - (iii) GTS must pay patent costs.
- (d) Under the Technology Licence Agreement, GTS grants UoA the right to:
- (i) use, modify and adapt the Licensed Technology for teaching, research and development and publication purposes; and
 - (ii) publish any academic publication or any student's thesis relating to the Licensed Technology, subject to GTS having certain rights to review and request delay of publication of the academic publication or thesis.

These rights allow UoA to continue using the Licensed Technology for these purposes despite the exclusive Licence.

- (e) UoA retains right, title and interest in any improvements (meaning, in summary, developments, modifications, adaptations or improvements of the Licensed Technology the use of which would infringe the IP rights in the Licensed Technology) to the Licensed Technology developed by UoA. UoA agrees to disclose such improvements, however any licence to such improvements must be negotiated separately between GTS and UoA.
- (f) During the term of the Technology Licence Agreement, GTS has a first option to negotiate the purchase and assignment to it of the Licensed Technology, as long as it is not in breach of the Technology Licence Agreement when it exercises the option. Any assignment negotiated pursuant to this option must provide for the Licensed Technology to revert to UoA in the event of an insolvency event occurring in respect of GTS.
- (g) GTS warrants that it will commit to minimum performance requirements in the form of a minimum research spend over three years, with minimum performance requirements thereafter to be agreed by the parties. UoA has confirmed to us as at the date of this Report that GTS is compliant with the minimum performance requirements as at the date of this Report, subject to the granting of the extension sought by GTS as described in Section 4.4(b) below.
- (h) Subject to earlier termination, the Licence continues until the expiry of the last to expire of the Licensed Patent Applications or any subsequent patents issued in relation thereto.
- (i) UoA may terminate the Technology Licence Agreement in various circumstances, notably:
 - (i) if UoA in good faith considers GTS has not exploited the Licensed Technology as required under the Technology Licence Agreement

(including requirements to pursue exploitation vigorously with due care and skill and in a good and workmanlike manner maintaining a high standard of quality and to meet all legal and regulatory requirements, amongst other things) and UoA is still not satisfied after consulting with GTS for a period of up to 30 days;

- (ii) in respect of a particular country, if GTS notifies UoA of its intention to cease paying patent costs in that country;
- (iii) GTS commits a material breach of the Technology Licence Agreement which is not able to be remedied or is not remedied within 14 days of UoA's notice requesting that the breach be remedied;
- (iv) a change in control occurs in relation to GTS without UoA's prior consent, not to be unreasonably withheld; or
- (v) GTS ceases, or threatens to cease to carry on, or substantially changes the nature of, its business.

UoA may, instead of terminating for these events, instead elect to render the Licence non-exclusive, or in the case of paragraphs (iii), (iv) or (v), vary or revoke the Licence. UoA has given its consent to the change in control contemplated by the transaction the subject of the Prospectus.

- (j) UoA gives no warranties in relation to the Licensed Patent Applications or any other IP the subject of the Licence, and excludes representations or warranties in relation to matters including fitness for purpose, commercial viability, non-infringement of third party IP rights, that the Licensed Patent Applications will be and will continue to be successfully registered, and whether it is lawful to grant the Licence or for GTS to exploit the Licensed Technology. GTS assumes full responsibility for exploiting the Licensed Technology and indemnifies UoA in respect of such exploitation, including any third party IP infringement resulting from such exploitation, except to the extent contributed to by UoA's negligence or wilful misconduct.
- (k) UoA indemnifies GTS and its representatives from and against UoA's breach of the Technology Licence Agreement or any negligence or wilful misconduct of UoA or its representatives. UoA's aggregate liability is:
 - (i) reduced for any negligence or wilful misconduct by GTS; and
 - (ii) limited to royalties paid to UoA in the 12 months prior to the act, omission or event giving rise to the claim. As the Technology Licence Agreement does not provide for royalties to be paid (consideration to UoA instead takes the form of equity in GTS and a proportion of any lump sums or other non-royalty income generated from sub-licensees), in effect UoA's aggregate liability is limited to zero.
- (l) The above comprises a summary of the key IP-related provisions of the Technology Licence Agreement. It is not a comprehensive summary of the

Technology Licence Agreement as a whole. The application and interpretation of the provisions summarised above will depend on relevant circumstances and the interpretation of the Technology Licence Agreement in full.

4.2 Patent Applications

- (a) As at the date of this Report, the details of the Licensed Patent Applications are as follows:

Territory	Number	Applicant	PCT Filing Date	Status
FAMILY 1: COMPOSITE GRAPHENE-BASED MATERIAL				
United States	15/578149	Adelaide Research & Innovation Pty Ltd	27/05/2016	Accepted Linked to PCT Number PCT/AU2016/050417 Next renewal due: After grant
FAMILY 2: ACOUSTIC GRAPHENE-CONTAINING COMPOSITIONS/MATERIALS AND METHODS OF FORMATION				
Australia	2018228274	The University of Adelaide	01/03/2018	Filed Linked to PCT Number PCT/AU2018/050185 Next renewal due: 01/03/2022
China	201880028629.3	The University of Adelaide	01/03/2018	Filed Linked to PCT Number PCT/AU2018/050185 Next renewal due: After grant
Europe	18760256.0	The University of Adelaide	01/03/2018	Filed Linked to PCT Number PCT/AU2018/050185 Next renewal due: 01/03/2021
India	201937039549	The University of Adelaide	01/03/2018	Filed Linked to PCT Number PCT/AU2018/050185 Next renewal due: After grant

Territory	Number	Applicant	PCT Filing Date	Status
Japan	2019-547476	The University of Adelaide	01/03/2018	Filed Linked to PCT Number PCT/AU2018/050185 Next renewal due: After grant
South Korea	10-2019-7026588	The University of Adelaide	01/03/2018	Filed Linked to PCT Number PCT/AU2018/050185 Next renewal due: After grant
United States	16490116	The University of Adelaide	01/03/2018	Filed Linked to PCT Number PCT/AU2018/050185 Next renewal due: After grant
FAMILY 3: MULTIPURPOSE GRAPHENE-BASED COMPOSITE				
Australia	2017325118	The University of Adelaide	12/09/2017	Exam requested Linked to PCT Number PCT/AU2017/050990 Next renewal due: 12/09/2021
Canada	3039985	The University of Adelaide	12/09/2017	Request examination by 12/09/2022 Linked to PCT Number PCT/AU2017/050990 Next renewal due: 12/09/2020 (UoA has instructed its agents to process this renewal)
China	201780068881.2	The University of Adelaide	12/09/2017	Exam requested Linked to PCT Number PCT/AU2017/050990 Next renewal due: After grant

Territory	Number	Applicant	PCT Filing Date	Status
Europe	17847829.3	The University of Adelaide	12/09/2017	Response to Extended European Search Report and Opinion due by 21/10/2020 Linked to PCT Number PCT/AU2017/050990 Next renewal due: 30/09/2020 (UoA has instructed its agents to process this renewal)
India	201937014764	The University of Adelaide	12/09/2017	Exam requested Linked to PCT Number PCT/AU2017/050990 Next renewal due: After grant
New Zealand	752557	The University of Adelaide	12/09/2017	Request examination by 12/09/2022 Linked to PCT Number PCT/AU2017/050990 Next renewal due: 12/09/2021
Singapore	11201903072P	The University of Adelaide	12/09/2017	Under examination Linked to PCT Number PCT/AU2017/050990 Next renewal due: After grant
South Africa	2019/02300	The University of Adelaide	12/09/2017	Filed Acceptance deadline extended to 11/04/2021 Linked to PCT Number PCT/AU2017/050990 Next renewal due: 12/09/2020 (UoA has instructed its agents to process this renewal)

Territory	Number	Applicant	PCT Filing Date	Status
South Korea	10-2019-7010301	The University of Adelaide	12/09/2017	Exam requested Linked to PCT Number PCT/AU2017/050990 Next renewal due: After grant

- (b) Our review confirms that all Licensed Patent Applications are in the name of UoA or Adelaide Research & Innovation Pty Ltd (**ARI**). ARI, which UoA has confirmed to us as at the date of this Report is a wholly owned subsidiary of UoA, and UoA are parties to an agreement entitled Appointment of Commercialisation Lead Agreement between those entities with a commencement date of 1 July 2016. Under that agreement, ARI grants UoA exclusive rights to commercialise (defined in a typical manner but excluding use of Technology for teaching, education and internal non-commercial research) the Technology the subject of Family 1 listed above. Each party warrants that:
- (i) each of its personnel who has contributed to the relevant Technology has validly assigned their rights to it;
 - (ii) it is not aware of any adverse claims regarding the relevant Technology;
 - (iii) as applicable, it has the right to grant the licence;
 - (iv) to the best of its knowledge and belief, there are no restrictions on UoA's ability to deal with or commercialise the relevant Technology as contemplated; and
 - (v) except as disclosed by it in writing to UoA, it has not entered into any other arrangement dealing with the relevant Technology; UoA has confirmed to us as at the date of this Report that ARI has not made any such disclosures as at the date of this Report.

Other warranties, such as whether any patent will be granted or, if granted, be declared invalid, are excluded.

ARI's prior written consent (not to be unreasonably withheld) is required for UoA to assign its interest in the relevant Technology. ARI may terminate UoA's appointment as commercial lead in the event of unremedied material breach, in which case ARI may replace UoA with an alternative commercial lead to which existing third party arrangements are to be novated.

- (c) As at the date of this Report:
 - (i) in respect of Family 1 listed above, we have seen:
 - (A) confirmatory deeds of assignment from each named inventor to UoA; and
 - (B) a Deed of Assignment from UoA to ARI,

in respect of the innovation the subject of the Licensed Patent Applications;
 - (ii) in respect of Family 2 listed above:
 - (A) we have been informed by UoA that six of seven named inventors was an employee at the time of the innovation the subject of the Licensed Patent Applications;
 - (B) the seventh inventor was a student and by deed dated 20 August 2020 assigned to UoA the student's intellectual property rights arising from the project conducted between 1 July 2016 and 30 June 2017 in respect of which the student worked on the innovation the subject of the Licensed Patent Applications; and
 - (C) we have seen an Invention Disclosure Form signed by each inventor in November/December 2016 stating that under UoA's Intellectual Property Policy, UoA claims ownership of intellectual property in the innovation the subject of the Licensed Patent Applications; and
 - (iii) in respect of Family 3 listed above, we have seen confirmatory deeds of assignment from each named inventor to UoA.

We are not able to confirm that all inventors have been named in each Licensed Patent Application.

- (d) As at the date of this Report, we understand that all periodic renewal payments are up to date, except as indicated in the table above. We note there is a six month 'grace period' within which a renewal payment may be made after its due date without the relevant application being treated as withdrawn.

4.3 Trade marks

- (a) GTS uses the following unregistered trade marks:
 - (i) GRAPHENE TECHNOLOGY SOLUTIONS; and



(ii)

(b) GTS does not have any registered trade marks.

4.4 Confidential Information

- (a) GTS has entered into a number of research and development-related contracts with UoA, including:
- (i) Research Agreements for the performance of certain graphene-related research projects dated 3 April 2019 and 24 April 2020 (**Research Agreements**);
 - (ii) a Strategic Partnership Agreement outlining a framework for the research and development collaboration between the parties dated 15 June 2020 (**Strategic Partnership Agreement**); and
 - (iii) a multi-party research collaboration agreement associated with an Australian Research Council Industrial Research Transformation Hub grant and led by UoA, under an agreement entitled GEIT Hub Collaboration Agreement and dated 28 June 2017 as varied by Deed of Variation dated 2 October 2019 and Deed of Variation and Accession executed 28 July 2020 (**Hub Collaboration Agreement**),

in addition to the Technology Licence Agreement. These arrangements may result, or may have resulted, in the development of IP including know how and/or trade secrets.

- (b) Under the Research Agreements, relevantly:
- (i) on payment of the Fee, GTS owns the deliverables as well as IP developed, created, identified or first reduced to practice or writing in the course of the research projects under the Research Agreements, excluding copyright in any student's thesis (**Project IP**);
 - (ii) UoA is required to treat Project IP as confidential to GTS;
 - (iii) GTS receives a licence to use any pre-existing IP rights owned by UoA in order to use the deliverables under the Research Agreements;
 - (iv) there is an exclusion of any representation or warranty that Project IP, pre-existing IP rights or confidential information provided in connection with the relevant projects will not constitute or result in any infringement of third-party rights; and
 - (v) IP is to be managed through a Management Committee and IP Register,

however, UoA has the right to:

- (vi) use and sub-licence Project IP for research, teaching and publication purposes, including for research projects funded by a third party; and
- (vii) publish results of the research projects and any student's thesis relating to those results, subject to GTS having certain rights to review and request delay of publication of those results.

We are instructed that, as at the date of this Report, GTS has not received any notice of breach of the Research Agreements, the Strategic Partnership Agreement and the Technology Licence Agreement.

(c) The Strategic Partnership Agreement, relevantly:

- (i) subject to earlier termination, has a term of three years from execution with a three year renewal term subject to agreement of the parties;
- (ii) grants GTS a first right of offer to negotiate rights to commercialise unencumbered patented graphene application technologies developed in Professor Dusan Losic's research group within the area of interest of graphene manufacturing technologies for applications, including but not limited to the construction, mining and agricultural sectors - we note that the term 'unencumbered' is undefined but may operate to limit the scope of this right in practice;
- (iii) other than as specified in paragraph (ii) above, is non-exclusive;
- (iv) provides for a Management Committee with equal representation of both GTS and UoA, which has responsibilities including resolution of IP-related issues and maintenance of a register of pre-existing IP contributed by either party and any Project IP;
- (v) confirms that GTS has the right to lead commercialisation efforts in relation to any commercially viable Project IP arising from a research project between the parties, subject to the terms of a commercialisation agreement to be agreed by the parties;
- (vi) imposes contractual confidentiality obligations on both parties;
- (vii) excludes warranties on the part of either party in respect of fitness for purpose and non-infringement of third party IP; and
- (viii) contemplates GTS and UoA entering into future arrangements of the following types:
 - (A) research agreements either:
 - (1) on substantially the same terms as to IP as provided for in the 2020 Research Agreement; or

- (2) providing for UoA to own Project IP and granting GTS a right to use developed IP internally in the ordinary course of its business and to negotiate commercialisation rights;
 - (B) collaborative research agreements under which UoA retains rights to all developed IP and GTS is granted a right to use developed IP internally in the ordinary course of its business and to negotiate commercialisation rights; and/or
 - (C) consultancy services agreements under which UoA retains rights to all developed IP and GTS obtains title in deliverables.
- (d) The above summarises the key IP-related provisions of the research and development-related arrangements between GTS and UoA. The application and interpretation of these provisions will depend on relevant circumstances and the interpretation of the agreements in full.
- (e) On 2 October 2019, GTS became a party to the Hub Collaboration Agreement. Relevantly, the Hub Collaboration Agreement provides for:
- (i) industry and research advisory committees including representatives of the industry and research organisation parties, respectively, to have input into dealing with any issues arising in relation to:
 - (A) confidential information;
 - (B) pre-existing IP; and
 - (C) IP developed, created, invented or discovered in the course of undertaking any project, excluding developments, modifications, adaptations or improvements to pre-existing IP which would infringe the IP rights in that pre-existing IP (**Project IP**);
 - (ii) pre-existing IP to be made available by parties for use by other parties for the purposes of projects conducted under the Hub Collaboration Agreement, with the option to restrict access only to a specific project;
 - (iii) exclusion of any warranty that pre-existing IP is suitable for particular purposes, has any specific qualities or does not infringe third party intellectual property rights, although each party acknowledges that there will be no such infringement to the best of its knowledge without making inquiries;
 - (iv) standard mutual confidentiality obligations;
 - (v) procedures for the review of proposed academic publications and student theses arising from projects by parties to the relevant

project, which have rights to request delay of publication of those results or removal of the party's confidential information;

- (vi) UoA to own copyright in documents and reports created or developed in operating the collaborative activities under the Hub Collaboration Agreement (excluding Project IP or pre-existing IP of any party);
- (vii) the Commonwealth to receive a licence to reports provided in connection with the terms of the Australian Research Council grant;
- (viii) termination by UoA of a party's involvement in the Hub Collaboration Agreement if the party commits a material breach which is not remedied within 30 days of notice to all parties or an insolvency or similar event occurs, with intellectual property provisions surviving in full effect after termination - in this regard, we are instructed that, as at the date of this Report, GTS has not received any notice of material breach;
- (ix) the conduct by UoA and GTS of a project commencing in January 2020 under which the Project IP is to be:
 - (A) jointly owned by UoA and GTS in proportion to the respective contributions of the parties;
 - (B) commercialised by GTS, if and when UoA and GTS identify any potentially profitable Project IP, on the basis agreed between UoA and GTS in good faith and subject to requirements of the Australian Research Council grant terms regarding maximising benefits to Australia and compliance with the *National Principles of Intellectual Property Management for Publicly Funded Research*;
 - (C) licensed to each of GTS and UoA on a non-sublicensable, royalty-free basis to use for internal business or for teaching, research and academic publication purposes, respectively;
 - (D) listed in an IP register to be made available to the UoA-appointed director of the collaborative activities under the Hub Collaboration Agreement and accessible by the parties;
 - (E) protected by formal registration if and in the manner agreed in good faith between UoA and GTS; and
 - (F) only disclosed to other parties to the Hub Collaboration Agreement with prior written consent of both UoA and GTS.

The above summarises the key IP-related provisions of the Hub Collaboration Agreement. The application and interpretation of these provisions will depend on relevant circumstances and the interpretation of the agreement in full.

- (f) Further to the above, we have been informed that GTS protects its confidential information by entering into contractual arrangements with its technical consultants to impose contractual obligations of confidentiality to ensure the confidential information is not disclosed into the public domain. We have been provided with consulting services contracts between:

- (i) GTS and Free Radical Consulting Pty Ltd;
- (ii) GTS and irX Advisors Pty Ltd; and
- (iii) GTS and Andrew Smith,

which are consistent with this. The contracts referred to in paragraphs (i) and (ii) each include an assignment of intellectual property developed in the course of performing the services to GTS and consent to infringement of moral rights. Intellectual property developed in connection with the contract referred to in paragraph (iii) has been assigned to GTS by the consultant under a separate deed.

- (g) We are instructed that GTS implements procedures to manage the creation of confidential information through documentation of research and development projects.

4.5 Copyright

- (a) Our investigations have identified one primary copyright asset relevant to GTS, being the GTS website. As at the date of this Report, we have not seen any confirmation that GTS:
 - (i) owns the copyright associated with its website and contents, reflected in the use of the © symbol at the footer of the website; or
 - (ii) has licensed rights to the software, documentation, template and customised solutions and designs underlying the website, including the associated object code and source code, from the website developer.

We are instructed that the business does not intend to use this website after completion of the transaction the subject of the Prospectus.

- (b) GTS has engaged irX Advisors Pty Ltd to provide various services including developing a new website under an agreement which assigns all intellectual property rights created within the scope of the services or for GTS's customers or any of its contracts or projects or for any of its customers. There is no express licence to use pre-existing intellectual property rights of irX Advisors Pty Ltd.

4.6 Business Names

- (a) In Australia, where a company does not use its full corporate name in the course of trade, the corresponding business name should be registered. We

have conducted business name searches exclusively on the Australian Securities & Investments Commission (**ASIC**) Register.

- (b) The ASIC Register confirms that 'GRAPHENE TECHNOLOGY SOLUTIONS' is not registered as a business name. We are instructed that the business does not intend to use this name after completion of the transaction the subject of the Prospectus.
- (c) The company name 'SPARC TECHNOLOGIES LIMITED' has been reserved with ASIC. We are instructed that AJC has made this reservation.
- (d) GTS holds the registered business name 'SPARC NANOTECH' with a registration date of 11 June 2020. This business name is due for renewal on 11 June 2021.

4.7 Domain Names

- (a) We understand that GTS operates a website at the domain name graphenets.com.
- (b) Due to domain privacy restrictions, we have not been able to independently confirm the registrant of this domain.

5. Disclaimers and Consent

- (a) In preparing this Report, we have relied upon information contained in relevant publicly searchable databases/registers and summary reports provided by GTS and UoA and its patent attorneys.
- (b) We are not responsible for, and have not independently verified, the accuracy of the information in publicly searchable databases/registers or the information provided to us. In addition, patents and patent applications are not searchable until published, and in certain jurisdictions, patent applications may not be published until granted. Accordingly, we cannot guarantee the veracity of those databases and reports, or the information contained within them.
- (c) HWL Ebsworth Lawyers was not involved in the preparation, filing or prosecution of the patent applications or the negotiation or documentation of the licence transactions described in this Report. The authors of this Report do not have any interest in the promotion of GTS or the transaction contemplated by the Prospectus. HWL Ebsworth Lawyers has separately been engaged by AJC to advise it in respect of the Prospectus. The payment of fees to HWL Ebsworth Lawyers for the preparation of this Report is not contingent on the outcome of the Prospectus.
- (d) This Report does not provide any comment on the validity of any intellectual property, including granted patents or pending patent applications. This Report also does not provide any comment on the likelihood of infringement of third party rights in the event of commercial exploitation of any of the rights identified in Section 4 above. There may also be variation in examination reports and granted claims between countries, as a result of

differing requirements and procedures across jurisdictions, which may affect the scope and effectiveness of patent protection in various territories.

- (e) Consent for the inclusion of this Report in the form and context in which it now appears in a Prospectus to be issued by AJC has been granted by HWL Ebsworth Lawyers and has not been revoked, as at the date of this Report.

Yours faithfully



Luke Dale

Partner

HWL Ebsworth Lawyers

+61 8 8205 0580

lcdale@hwle.com.au

