

SPRINTEX LIMITED

ACN 106 337 599

PROSPECTUS

For the offers of:

- (a) up to 25,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.04 per Share (**SPP Shares**), together with one free attaching Option for every two Shares issued, exercisable at \$0.10 each on or before 30 June 2025 (**SPP Options**), to Eligible Shareholders under the Company's security purchase plan (**SPP**) to raise up to \$1,000,000 (**SPP Offer**);
- (b) up to 15,069,444 Options to participants in the Placement, on the basis of one Option for every two Shares subscribed for and issued under the Placement, exercisable at \$0.10 each on or before 30 June 2025 (**Placement Options Offer**); and
- (c) 2,750,000 Options to MMR Corporate Services Pty Ltd (or its nominees) (**MMR**), exercisable at \$0.10 each on or before 30 June 2025 (**MMR Options Offer**); and
- (d) Up to 25,000,000 Shares (**Shortfall Shares**) and 12,500,000 Options (**Shortfall Options**), exercisable at \$0.10 each on or before 30 June 2025 to make up any shortfall under the SPP Offer (**Shortfall Offer**).

(together, the **Offers**).

This Prospectus also contains the Cleansing Offer, which is detailed in Section 3.12.

SECURITY PURCHASE PLAN INFORMATION

The SPP Offer is currently scheduled to close at 5:00pm (AEST) on 31 July 2023. Valid applications must be received by that time. Details of how to apply for Securities are set out in the SPP Application Form accompanying this Prospectus.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as highly speculative.

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CORPORATE DIRECTORY

Directors

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Managing Director & CEO

Steven Apedaile
Non-executive Director and Chairman

Li Chen
Non-Executive Director

Company Secretary

Michael Van Uffelen

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Auditor*

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Investor Relations

MMR Corporate Services Pty Ltd
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Sydney, NSW 2000 Australia

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

1. TIMETABLE AND IMPORTANT NOTES

1.1 Timetable

Action	Date
Record Date for SPP	10 July 2023
Announcement of SPP and lodgement of Appendix 3B with ASX (prior to commencement of trading)	11 July 2023
Release of updated Appendix 3B and lodgement of Prospectus for the Offers with ASIC and ASX	19 July 2023
Opening date of the Offers under the Prospectus	19 July 2023
Issue of Tranche 1 Shares and lodgement of Appendix 2A for the Tranche 1 Shares with ASX	19 July 2023
Quotation of Tranche 1 Shares on ASX	20 July 2023
Notice of meeting dispatched	27 July 2023
Closing Date of the SPP Offer, Placement Options Offer and MMR Options Offer and announcement of the results of the SPP **	31 July 2023
Issue of SPP Shares and Tranche 2 Shares and lodgement of Appendix 2A for the Shares with ASX	3 August 2023
Date of general meeting	28 August 2023
Closing Date of Cleansing Offer Issue of Director Participation Shares, Placement Options, SPP Options, Shortfall Shares, Shortfall Options and MMR Options and lodgement of Appendix 2A with ASX	29 August 2023
Quotation on ASX of Director Participation Shares, Placement Options, SPP Options, Shortfall Shares, Shortfall Options and MMR Options	30 August 2023

* The above dates are indicative only and may change without prior notice.

** Subscribers under the SPP Offer should ensure that they have lodged their SPP Application Form by this date.

1.2 Shortfall Offer

The Shortfall Offer will remain open for up to three (3) months from the date of this Prospectus and may be closed at any time by the Directors in their sole discretion.

1.3 Important Notes

This Prospectus is dated 19 July 2023 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

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

1.4 ASIC Instrument and ASX Listing Rule 7.2, Exception 5

In certain circumstances, a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**). The ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.

As the Company is also offering Options under the SPP, the Company is unable to rely on the relief granted by the ASIC Instrument in respect of the Options (as the relief relates to offers of fully paid ordinary shares only) and, therefore, is undertaking the issue of Shares and Options under the SPP pursuant to this Prospectus.

1.5 Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of SPP Options, Placement Options and MMR Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://www.sprintex.com.au/>). By making an application under the SPP Options Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

1.6 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

1.7 Taxation implications

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

1.8 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should

seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares or Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

1.9 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

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 and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

1.10 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.sprintex.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia and New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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.

1.11 Disclaimer

No person is authorised to give information or to make any representation in connection with the offers described in this Prospectus, which is not contained in

the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers. You should rely only on information in this Prospectus.

1.12 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for securities under this Prospectus.

2. BACKGROUND TO THE OFFERS

2.1 Overview

On 11 July 2023, the Company announced that it would issue Shares to current shareholders and directors at an issue price of \$0.045 per Share to raise \$1,300,000. To accommodate a portion of excess demand, the Company has agreed to raise an additional \$50,000 at \$0.04 per Share, bringing the total amount to be raised to \$1,350,000 (**Placement**).

The Placement includes the issue of 15,069,444 free Options, exercisable at \$0.10 each, on or before 30 June 2025, being one Option for every two Shares subscribed for and issued pursuant to the Placement. The issue of the Options is the subject of the Placement Options Offer under this Prospectus.

In addition to the Placement, the Company is undertaking the SPP Offer to Eligible Shareholders (as detailed below).

Under the SPP Offer, Eligible Shareholders (defined in Section 3.3 below), will be entitled to apply for up to \$30,000 in Shares in the Company at \$0.04 per Share.

The Company is seeking Shareholder approval at the General Meeting to enable Eligible Shareholders who subscribe under the SPP Offer to also receive one Option for every two Shares subscribed for and issued to them. The SPP Options are exercisable at \$0.10 each, on or before 30 June 2025. This will mean that Eligible Shareholders can participate in the capital raising on the same terms as, or at a reduced issue price to, the other participants in the Placement.

However, Shareholders should note that the issue of Options under the SPP Offer is conditional upon Shareholder approval at the General Meeting. If Shareholders do not approve the issue of those Options, then participants in the SPP Offer will not receive Options as part of the SPP Offer. The Company is seeking to raise up to \$500,000 under the SPP Offer, but may accept oversubscriptions, at the discretion of the Directors up to a further \$500,000 under the SPP Offer.

To read how Eligible Shareholders can subscribe under the SPP Offer, refer to Section 3.7 below.

The Shortfall Offer is a conditional offer of up to 25,000,000 Shares and 12,500,000 Options exercisable at \$0.10 on or before 30 June 2025. In the event that less than \$1,000,000 is applied for under the SPP Offer by Eligible Shareholders, the Directors may seek to place that number of Shares at an issue price of \$0.04 per Share to raise up to \$1,000,000 when combined with the amount raised under the SPP Offer. The Shortfall Offer provides the Company with the opportunity to secure up to \$1,000,000 under the SPP Offer and the Shortfall Offer, which would take the total amount raised under the Placement, the SPP Offer and the Shortfall Offer to \$2,350,000.

In addition, the Company is seeking to issue 2,750,000 Options exercisable at \$0.10 on or before 30 June 2025 (**MMR Options**) to MMR (or its nominee) in consideration for investor relations services provided in respect of the Placement and the SPP (**MMR Options Offer**).

The Company intends to apply the funds raised under the Placement and the SPP to fund purchase of volume production equipment and parts inventory for its recently completed range of exceptionally efficient e-compressors and industrial blowers (refer to Section 4.2 for further detail).

Further details in relation to the Placement and the SPP are set out in the ASX announcement released on 11 July 2023 (**Capital Raising Announcement**) and will be set out in the Company's notice of general meeting to be released to ASX on or around 27 July 2023 (**Notice of Meeting**).

2.2 Structure of the Placement and Effect on Control

The Company intends to conduct the Placement in three tranches, as follows:

- (a) **Tranche 1:** the issue of 21,138,888 Shares on or around 19 July 2023 to China Automotive Holdings Limited (**CAHL**) and David Steicke (existing substantial holders) (**Tranche 1 Shares**);
- (b) **Tranche 2:** the issue of up to 5,644,445 Shares on or around 3 August 2023 (**Tranche 2 Shares**) to CAHL; and
- (c) **Tranche 3:** the issue of 3,355,555 Shares on or around 28 August 2023 to Directors (**Tranche 3 Shares**),

(together, the **Placement Shares**).

Tranche 1 and 2 will utilise the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A. The Company will seek ratification of these issues at the General Meeting (defined below).

It is proposed that the Tranche 3 Shares will be issued to Directors and the Company will seek shareholder approval under ASX Listing Rules 7.1 and 10.11 for the issue of the Tranche 3 Shares at the General Meeting. Details of the Directors' interests in the Company on completion of the Offers is included in Section 7.5.

The issue of the Tranche 2 Shares must occur following completion of the SPP Offer, to ensure that the issue of the Tranche 2 Shares does not result in CAHL being in contravention of Section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**). The Company confirms that no existing Shareholder will increase its Shareholding to above 19.9% as a result of the Placement or the Offers. In the event that an issue of Shares under the Placement or the Offers would result in a breach of the General Prohibition, the Company will scale back the application accordingly. Depending on shareholder subscriptions for the SPP, the issue of some of the Tranche 2 Shares may be delayed to 28 August 2023 to ensure that CAHL does not breach the General Prohibition. CAHL may be precluded by the General Prohibition from exercising its Placement Options.

2.3 General Meeting

The Company is aiming to hold a general meeting of shareholders on 28 August 2023 (**General Meeting**).

The General Meeting will contain resolutions for the approval of:

- (a) the participation of certain Directors and other parties in the Placement;
- (b) the issue of all free-attaching Options under the Placement and the SPP;
- (c) ratification of the previous issue of Shares under the Placement;
- (d) the issue of the MMR Options; and
- (e) the issue of Shares and Options the subject of the Shortfall Offer.

Details of the resolutions and further information will be included in the Notice of Meeting expected to be dispatched on 27 July 2023.

3. DETAILS OF THE OFFERS

3.1 The Offers

3.1.1 The SPP Offer

The SPP Offer is an offer to each Eligible Shareholder to subscribe for a maximum of \$30,000 worth of new Shares at an issue price of \$0.04 per Share. In addition, subject to the receipt of Shareholder approval at the General Meeting, Eligible Shareholders will also receive one Option for every two Shares subscribed for and issued under the SPP Offer. Fractional entitlements will be rounded down to the nearest whole number.

The Company will issue the SPP Shares pursuant to ASX Listing Rule 7.2 Exception 5 and, accordingly:

- (a) The total number of Shares issued under the SPP will not equate to more than 30% of Shares on issue at the issue date of the Shares; and
- (b) The issue price of the SPP Shares (being \$0.04 per Share) is equal to or greater than 80% of the volume weighted average market price of Shares for the five days in which trading in the Shares occurred before the date of the announcement of the SPP Offer.

All of the Shares offered under the SPP Offer pursuant to this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

The Options (assuming Shareholders approve the issue) offered under the SPP Offer pursuant to this Prospectus will be exercisable at \$0.10 each on or before 5:00pm (WST) on 30 June 2025 and otherwise on the terms set out in Section 5.2. All of the Shares issued upon exercise of the SPP Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the SPP Offer is set out in Section 4.1. The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Securities offered under the SPP Offer.

No funds will be raised from the issue of SPP Options pursuant to the SPP Options Offer as the SPP Options are free attaching to Shares issued under the SPP on a one for two basis.

3.1.2 The Placement Options Offer

The Placement Options Offer is an offer of one Option for every two Shares subscribed for and issued under the Placement by participants in the Placement. Fractional entitlements will be rounded down to the nearest whole number.

Based on the number of Shares issued under the Placement, approximately 15,069,444 Options may be issued under the Placement Options Offer. No funds will be raised from the issue of the Options.

The Options will be exercisable at \$0.10 each on or before 5:00 pm (WST) on 30 June 2025 and otherwise on the terms set out in Section 5.2. All of the Shares issued upon exercise of the Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

3.1.3 MMR Options Offer

The MMR Options Offer is an offer of 2,750,000 Option that is only capable of being accepted by MMR, or parties nominated by them.

3.2 The Shortfall Offer

The Shortfall Offer is a conditional offer of up to 25,000,000 Shares at \$0.04 and 12,500,000 Options on the basis of one Option for every two Shares subscribed for and issued to raise up to \$1,000,000.

Shares and Options (assuming Shareholder approval) issued under the SPP Offer will be deducted from the Shares and Options issued under the Shortfall Offer so that the total number of Shares and Options issued under the SPP Offer and the Shortfall Offer is 25,000,000 Shares and 12,500,000 Options.

3.3 Eligibility to participate in SPP Offer

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address is in Australia, New Zealand, Hong Kong, Malaysia and China.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may only apply for one parcel of Shares with a value of up to \$30,000. The Company reserves the right to reject any application for Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

In the event of oversubscriptions by the SPP Closing Date, the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions. Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

3.4 Minimum subscription

There is no minimum subscription to the Offers.

3.5 Not underwritten

The Offers are not underwritten.

3.6 Fees and Commissions payable

The Company has agreed to issue 2,750,000 Options to MMR (or its nominee(s)) in consideration for investor relations services provided to the Company. The issue of the MMR Options is subject to shareholder approval at the General Meeting.

The Company reserves the right to pay commissions of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

3.7 Applications

SPP Offer

Eligible Shareholders may apply under the SPP Offer by completing the SPP Application Form accompanying this Prospectus in accordance with the instructions outlined on the SPP Application Form.

Pursuant to the SPP Offer, Eligible Shareholders may apply for Shares with a maximum value of \$30,000. Eligible Shareholders may participate by selecting one of the following options to purchase Shares under the SPP Offer:

	SPP Application Amount	Number of Shares which may be purchased	Number of Options to be received*
Offer A	\$500	12,500	6,250
Offer B	\$1,000	25,000	12,500
Offer C	\$2,500	62,500	31,250
Offer D	\$5,000	125,000	62,500
Offer E	\$7,500	187,500	93,750
Offer F	\$10,000	250,000	125,000
Offer G	\$15,000	375,000	187,500
Offer H	\$20,000	500,000	250,000
Offer I	\$25,000	625,000	312,500
Offer J	\$30,000	750,000	375,000

*Subject to Shareholder approval for the issue of the Options to participants in the SPP Offer.

Where the amount applied for results in a fraction of a Security the number of Shares issued will be rounded down to the nearest whole Security.

To participate in the SPP Offer, payment of the application moneys must be made per the instructions set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the SPP Closing Date**.

The Company reserves the absolute discretion to scale back applications under the SPP Offer to the extent and in the manner it sees fit. If the Company undertakes a scale back, you will receive the number of SPP Shares determined by the Company in its absolute discretion which may be less than the number of Shares applied for. In this case, the difference between the application moneys received and the number of SPP Shares allocated to you multiplied by the issue price per

SPP Share may be refunded to you by direct credit (to your nominated account recorded on the Company's share register) or by cheque as soon as practicable, without interest.

If you require assistance in accepting the SPP Offer, please contact the Company's Share Registry, Advanced Share Registry Limited on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), admin@advancedshare.com.au.

Options under the Placement Options Offer and MMR Options Offer

The Placement Options Offer and MMR Options Offer will only be extended to the participants who have participated in the Placement or to MMR.

Application Forms will only be provided to these participants on invitation by the Directors.

No subscription monies are payable for the Options offered pursuant to this Prospectus under the Placement Options Offer or the MMR Options Offer as the Options are being issued on the basis of one free Option for every two Shares subscribed for and issued under the Placement or, in relation to the MMR Options Offer, as a fee for providing investor relations services in connection with the Placement and the SPP.

Completed Application Forms must be returned to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Placement Options Offer Closing Date**.

Shortfall Offer

The Shares and Options under the Shortfall Offer will be placed to parties identified by the Directors and will only be issued if approved by Shareholders at the General Meeting. Application Forms for the Shortfall Offer will be provided to parties identified by the Directors. Applicants who wish to participate in the Shortfall Offer should therefore contact the Company.

Completed Application Forms under the Shortfall Offer must be returned to the address set out in the Application Form with sufficient time to be received by or on behalf of the Company by no later than the date specified by the Company when providing Applicants with a copy of this Prospectus and an Application Form.

3.8 Payment – SPP Offer and Shortfall Offer

(a) Payment by EFT or BPAY®

For payment by EFT or BPAY®, please follow the instructions on the SPP Application Form.

You can only make a payment via:

- (i) EFT if you are a holder of an account that supports EFT transactions to an Australian bank account; or
- (ii) BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by EFT or BPAY®:

- (i) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Securities which is covered in full by your application monies.

It is your responsibility to ensure that your EFT or BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

3.9 Issue of Securities

Securities issued under the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. Application moneys will be held in a separate subscription account until the Securities are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Securities are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Securities and/or the number of Securities issued under the Offers. The Directors reserve the right to reject any application or to allocate any Applicant fewer Securities than the number applied for.

Where the number of Securities issued is less than the number applied for, the surplus moneys will be returned by direct credit to your nominated bank account or cheque as soon as practicable after the Closing Date. Where no issue of Securities is made, the amount tendered on application will be returned in full by direct credit to your nominated bank account or cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.10 ASX listing – Shares

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 1.1.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Securities offered under this Prospectus within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered.

3.11 Restrictions on the distribution of the Prospectus

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offers are not being extended and Securities will not be issued to investors with a registered address which is outside Australia, New Zealand, Hong Kong, China or Malaysia.

Residents of countries outside Australia or New Zealand should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

New Zealand

This Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

China

The information in this document does not constitute a public offer of the Securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to “qualified domestic institutional investors”.

Malaysia

No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Securities. The Securities may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act.

Shareholders resident in Australia, New Zealand, Hong Kong, China or Malaysia or holding securities on behalf of persons who are resident overseas are responsible for ensuring that applying for Securities under the Offers does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.12 Cleansing Offer

As summarised in Section 2.1, the Company is intending to issue the Placement Shares in three tranches.

The Placement Shares are being issued without an accompanying disclosure document, to professional and sophisticated investors, under the applicable exemptions in sections 708(8) and (11) of the Corporations Act.

The Corporations Act provides a general prohibition against the on-sale of Shares issued without disclosure within 12 months of their date of issue, subject to certain exceptions.

Section 708A(11) of the Corporations Act provides that a sale offer can be made without the need for further disclosure if:

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

To enable the Tranche 2 Shares to be freely tradeable upon issue, the Company is also undertaking a 'cleansing offer' under this Prospectus, pursuant to which it invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.02 per Share to raise a nominal amount of \$20 (**Cleansing Offer**).

The Cleansing Offer is a compliance mechanism only and the Company does not currently intend to issue any Shares or raise any funds under the Cleansing Offer. As such, no application form will be provided for the Cleansing Offer.

The Cleansing Offer is included for the purpose of section 708A(11) of the Corporations Act, to ensure that no trading restrictions attach to Tranche 2 Shares to be issued by the Company.

The Cleansing Offer will otherwise have no impact on the Company.

3.13 Enquiries

Any questions concerning the Offers should be directed to the Company on +61 8 9262 7277 or the Company's registry, Advanced Share Registry Limited on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), admin@advancedshare.com.au.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

4.1.1 Placement

The Company has raised \$1,350,000 under the Placement, of which \$151,000 is subject to Shareholder approval at the General Meeting..

4.1.2 SPP Offer and the Shortfall Offer

The Company is seeking to raise a further \$1,000,000 from Eligible Shareholders under the SPP Offer. The Shortfall Offer is an offer to raise any shortfall that exists under the SPP Offer, such that the maximum that may be raised under the SPP Offer and the Shortfall Offer is \$1,000,000.

4.2 Use of funds

The funds raised from the SPP Offer are planned to be used in accordance with the table set out below:

Proceeds of the SPP Offer	Full Subscription under the SPP (\$1,000,000)	%
Inventory build	\$400,000	40%
Working capital ¹	\$570,000	57%
Expenses of the Offers ²	\$30,000	3%
Total	\$1,000,000	100%

Notes:

1. Working capital costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, Director fees, rent, insurance and other associated costs.
2. Refer to Section 7.8 for further details relating to the estimated expenses of the SPP Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

If there is a shortfall under the SPP Offer, the Directors have reserved the right to place the shortfall pursuant to the Shortfall Offer.

On completion of the SPP Offer and the Shortfall Offer, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the SPP Offer and the Shortfall Offer is not fully subscribed, the Company will seek to appropriately scale back funds available for inventory build and working capital, while it seeks alternative sources of funding (as required).

Placement Option Offer and MMR Options Offer

The Placement Options Offer and MMR Options Offer are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need

Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Placement Options Offer or MMR Offer (other than funds raised if the Options are subsequently exercised).

4.3 Effect of the Offers and the Placement

The principal effect of the Offers, assuming the Company issues the maximum number of Securities, will be to:

- (a) increase the cash reserves by \$1,000,000 (before deducting the estimated expenses of the SPP Offer) immediately after completion of the SPP Offer; and
- (b) increase the number of Shares on issue from 297,826,548 (including the issue of all Placement Shares) to 322,826,548 Shares following completion of the SPP Offer (subject to rounding); and
- (c) increase the number of Options on issue from 23,871,111 to 51,440,555 Options following completion of the Placement and the Offers.

4.4 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure is set out below.

Shares	Number
Shares currently on issue ¹	267,687,660
Shares to be issued under the Placement ^{2,3}	30,138,888
Shares to be issued under the SPP Offer/Shortfall Offer	25,000,000
Total Shares on issue on completion of the SPP Offer	322,526,548

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5.1.
2. The issue of approximately 3,355,555 Shares to related parties is subject to receipt shareholder approval at the General Meeting.
3. The issue of 5,644,445 Shares to CAHL may be scaled back in the event that CAHL's voting power in the Company would be greater than 20% following completion of the SPP Offer and the issue of the Tranche 2 Shares.

Options	Number
Options currently on issue ¹	23,871,111
Options to be issued under the Placement ²	15,069,444
Options to be issued under the SPP Offer ²	12,500,000
Total Options on issue on completion of the SPP Offer	51,440,555

Notes:

1. Comprising:

- (a) 1,000,000 unquoted Options exercisable at \$0.10 each on or before 27 July 2023;
 - (b) 5,000,000 unquoted Options exercisable at \$0.086 each on or before 12 April 2024;
 - (c) 12,871,111 unquoted Options exercisable at \$0.075 each on or before 31 December 2024;
 - (d) 3,000,000 unquoted Options exercisable at \$0.086 each on or before 19 May 2024; and
 - (e) 2,000,000 unquoted Options exercisable at \$0.015 each on or before 19 May 2024.
2. The rights and liabilities attaching to the SPP Options and Placement Options are summarised in Section 5.2.

Performance Rights	Number
Performance Rights currently on issue ¹	20,170,000
Performance Rights offered under the SPP Offer	Nil
Total Performance Rights on issue on completion of the SPP Offer²	20,170,000

Notes:

1. The Performance Rights will vest and be convertible into Shares on the achievement of \$20,000,000 of annual revenue by 30 June 2024 (validated by audited/reviewed financial reports).
2. This assumes that no Performance Rights vest and are exercised prior to completion of the SPP Offer.

Convertible Notes	Number
Convertible Notes currently on issue ¹	28,280,001
Convertible Notes offered under the SPP Offer	Nil
Total Convertible Notes on issue on completion of the SPP Offer²	28,280,001

Notes:

1. Each convertible note bears flat interest of 12% and will have a conversion price of A\$0.075 per Share if converted on or before 31 July 2023, or the lower of A\$0.075 per Share and a 10-day VWAP at a 20% discount to the market price for the Company's Shares at the date of the conversion if the Convertible Notes are converted after 31 July 2023, subject to a minimum floor price of A\$0.001..
2. This assumes that no convertible notes are converted prior to completion of the SPP Offer. All convertible notes have a maturity date of 31 July 2024, with the exception of the convertible notes issued to investors introduced by CNW Capital Service Limited (face value of \$498,500) which have a maturity date of 31 January 2024.

4.5 Pro-forma balance sheet

The reviewed balance sheet as at 31 December 2022 and the pro-forma balance sheet as at 31 December 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming the maximum number of Securities offered under this Prospectus are issued (i.e. \$1,000,000 is raised under the SPP Offer and the Shortfall Offer), no existing Options are exercised and including expenses of the SPP Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and

liabilities of the Company as noted above. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

		REVIEWED 31 December 2022	PROFORMA Minimum Raise	PROFORMA Maximum Raise
	Notes	\$	Nil	\$1,000,000
CURRENT ASSETS				
Cash and cash equivalents		17,190	1,337,190	2,337,190
Pledged bank deposits		30,000	30,000	30,000
Trade and other receivables		1,315,200	1,315,200	1,315,200
Inventories		49,196	49,196	49,196
TOTAL CURRENT ASSETS		1,411,586	2,731,586	3,731,586
NON-CURRENT ASSETS				
Property, plant and equipment		985,152	985,152	985,152
Right of use assets		234,294	234,294	234,294
TOTAL NON-CURRENT ASSETS		1,219,446	1,219,446	1,219,446
TOTAL ASSETS		2,631,032	3,951,032	4,951,032
CURRENT LIABILITIES				
Trade and other payables	1	1,214,933	2,314,933	2,314,933
Borrowings	1	438,074	38,074	38,074
Provisions		54,018	54,018	54,018
Lease of buildings		114,743	114,743	114,743
TOTAL CURRENT LIABILITIES		1,821,768	2,521,768	2,521,768
NON-CURRENT LIABILITIES				
Borrowings		511,704	511,704	511,704
Lease of buildings - non-current		121,820	121,820	121,820
TOTAL NON-CURRENT LIABILITIES		633,524	633,524	633,524
TOTAL LIABILITIES		2,455,292	3,155,292	3,155,292
NET ASSETS (LIABILITIES)		175,740	795,740	1,795,740

		REVIEWED 31 December 2022	PROFORMA Minimum Raise	PROFORMA Maximum Raise
	Notes	\$	Nil	\$1,000,000
EQUITY				
Contributed equity	1	68,682,908	71,002,908	72,002,908
Reserves		2,503,430	2,503,430	2,503,430
Accumulated losses	1	-71,010,598	- 72,710,598	- 72,710,598
TOTAL EQUITY		175,740	795,740	1,795,740

Notes::

1. A pro forma adjustment has been included for the issue of convertible notes with a total face value of \$3,121,000 on 23 June 2023 and the conversion of convertible notes with a face value of \$1,000,000 on 27 June 2023.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to the Options and Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Securityholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 Rights and liabilities attaching to Shares

(a) 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.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms and Conditions of the Options

The terms and conditions of the Placement Options and the SPP Options are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on or before 30 June 2025 (**Expiry Date**). An Option not exercised before the respective Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

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

(m) **Deferral of exercise if resulting in a prohibited acquisition of Shares**

If the exercise of an Option under paragraph (e) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the exercise of that Option shall be deferred until such later time or times that the exercise would not result in a contravention of the General Prohibition. In assessing whether the exercise of an Option would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the exercise of an Option may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of an Option will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the exercise of an Option may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of an Option will not result in any person being in contravention of the General Prohibition.

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

In addition to the general market and economic risks noted in Section 6.4(g), investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

(a) Convertible Notes

The Company currently has 28,280,001 convertible notes on issue. As noted in section 4.4, each convertible note has a conversion price of A\$0.075 per Share if converted on or before 31 July 2023, or the lower of A\$0.075 per Share and a 10-day VWAP at a 20% discount to the market price for the Company's Shares at the date of the conversion if the convertible notes are converted after 31 July 2023, subject to a minimum floor price of A\$0.001. If the convertible note holders elect to convert their convertible notes at a discount after 31 July 2023, there is the risk that the shares issued on conversion may have an adverse effect on the Company's share price.

(b) Going Concern

The Company's reviewed interim financial report for the half-year ended 31 December 2022 includes an explanatory note in the Company's accounts to the following effect: "The Group incurred a loss for the half year ended 31 December 2022 of \$1,314,847 (2021: 2,269,690) and net cash outflows from operating activities of \$1,022,314 (2021: \$285,719). Further, the Group had a deficiency of current assets of \$959,399. The Group's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including: (i) delivery of existing and new products through the Company's distribution network to generate sales revenues and positive cash flows; (ii) the ability of the Company to raise additional funding; and (iii) the success of the manufacturing facilities in China and Malaysia. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors believe that there are sufficient funds available to continue to meet the

Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group for the following reasons: (i) The Directors of the Company have assessed the likely cash flow for the 12 month period from date of signing this half year report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements as at the date of this report, based on the belief that additional funds will be receipted via product sales to finance the Company's activity; (ii) The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements. Management have considered the future capital requirements of the Group and will consider all funding options as required; (iii) The Directors of Sprintex Limited have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected from the commercialisation of the Group's products. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable."

(c) **Research and development risks**

The Company can make no representation that any of its research into or development of new technologies or products will be successful, that any development milestones will be achieved, or that the products will be developed into products that are commercially exploitable.

There are many risks inherent in the development of products in the automotive sector, particularly where the products are in early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons. Whilst the Company will continue product development and research on automotive technologies, and the use of substitute materials and processes used in the manufacture of its products, there is a risk that the development of new products will require costs beyond those budgeted and even if developed, there is no guarantee that the products can be successfully commercialised or exploited.

(d) **Manufacturing risk**

The Company regularly applies its technologies to products and applications that require the technology to be manufactured to a standard and at a cost acceptable to the industry, regulators and partners. There can be no guarantee that suitable manufacturers, manufacturing processes, techniques and materials can be found to a standard, cost or quality acceptable to the industry, market or partners. The Company has established manufacturing facilities in Malaysia and is establishing manufacturing facilities in China. This subjects the Company to associated regulatory, political and exchange rate risks. Whilst the Company has experience of operating in Malaysia, the Directors have identified an experienced and qualified director who is resident in Malaysia, to serve as a director of the Malaysian entity, to assist in mitigating the risks associated with operating in a foreign jurisdiction. In

addition, the Company notes that Proreka Sprintex (the Company's wholly owned subsidiary) is staffed entirely by experienced Malaysian nationals, reducing risks associated with maintaining ex-pat staff in a foreign jurisdiction.

(e) **Product liability and uninsured risks**

The Company may be exposed to potential product liability risks, which are inherent in the research and development, manufacturing, marketing and use of products in the automotive sectors. It will be necessary to secure insurance to help manage such risks. The Company may not be able to maintain insurance for product or service liability on reasonable terms in the future. In addition, the Company's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims.

(f) **Protection of Intellectual Property Rights**

Securing intellectual property rights, in particular patents, is an integral part of securing potential product value from the outcomes of research and development. Competition in retaining and sustaining protection of intellectual property rights and the complex nature of automotive products can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome. The commercial value of the Company's intellectual property is dependent on legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Because the patent positions of companies with investments in automotive parts can be highly uncertain, and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in patents nor their enforceability can be predicted. There can be no assurance that any patents the Company may own or control or license in the future will afford commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations

6.3 Industry specific

(a) **Procurement and manufacturing risks and processes**

A number of the Company's suppliers are subject to the risks associated with operating in a foreign country. These risks may include economic,

social or political instability or change, hyperinflation, currency non convertibility or instability, and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licensing, export duties, repatriation of income or return of capital, environmental protection, safety, and labour relations, as well as government control over properties, or government regulations that require the employment of local staff or contractors, or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in Australia, Malaysia, China, Africa, the Middle East, Europe or the United States of America or in the Company's relationship with a supplier in one of these countries may affect the viability of the Company and its operations.

Failures of equipment and machinery may result in production delays and lead to an inability of the Company to maintain supply which may have a negative impact on the Company's future operations, cash flows and viability.

(b) **International Operations**

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements and collecting receivables through foreign local systems
- (ii) potential difficulties in protecting intellectual property
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(c) **Contractors and service providers**

The Directors are unable to predict the risk of financial failure, default, insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(d) **Market acceptance**

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns.

Accordingly, there is a risk that the Company may not be able to commercialise its new products or to retain a viable market for existing products, which could adversely impact the Company's operations.

(e) **Loss of customers**

The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.

(f) **Product liability**

As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

(g) **Foreign exchange**

The Company operates in a variety of jurisdictions, including, without limitation, Australia, the United States of America, Malaysia and China, and as such, the majority of the Company's sales, purchases and production are outside of Australia and are denominated in currencies other than Australian dollar. Any fluctuations in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company. Further, the Company has decided to not put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange rate risk, which may have an adverse impact on the profitability or financial position of the Company. However, the Company sources the majority of its raw materials and parts in US dollars and with the exception of Australia, sells its products based on US dollar pricing, significantly reducing risks attributed to foreign exchange variations.

6.4 General risks

(a) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(b) **Investment risk**

There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in

accordance with general market conditions and factors and there can be no certainty that, following listing, an active market for the Shares will develop.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

The trading price after listing may also be affected by the financial and operating performance of the Company.

(c) **Share Market Risk**

The market price of Shares and other securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting Australian technology companies and technology companies with operations in the US.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of these factors.

(d) **Management actions**

Directors of the Company will, to the best of their knowledge, experience and ability endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security.

(e) **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 under this Prospectus.

(f) **Force majeure events**

Acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, pandemics, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to the Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the Shares.

(g) **Economic**

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

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(h) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(i) **Ukraine Conflict**

The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict 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 the Ukraine Conflict.

The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be

limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (ii) the annual financial report most recently lodged by the Company with the ASIC;

- (iii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iv) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Announcement
11 July 2023	Proposed issue of securities
11 July 2023	Proposed issue of securities
11 July 2023	Product Roll-Out and Capital Raising
7 July 2023	Trading Halt
6 July 2023	Change in substantial holding
3 July 2023	Notification regarding unquoted securities
3 July 2023	Notification of cessation of securities
30 June 2023	Change of Director's Interest Notice
27 June 2023	Application for quotation of securities
27 June 2023	Notification regarding unquoted securities
27 June 2023	\$1 Million Notes Convert at over Twice Market Price
23 June 2023	Notification of cessation of securities
23 June 2023	Notification of cessation of securities
23 June 2023	Notification regarding unquoted securities
23 June 2023	Notification regarding unquoted securities
23 June 2023	Notification regarding unquoted securities
19 June 2023	Change of Director's Interest Notice
13 June 2023	Lighter Smaller Quieter Energy Saving Turbo Blowers
7 June 2023	Change of Director's Interest Notice
5 June 2023	Sprintex Expands Electric Compressor Range
17 May 2023	Sprintex Commences Delivery to sHYPs Project
28 April 2023	Quarterly Activities/Appendix 4C Cash Flow Report
12 April 2023	Notification of cessation of securities
11 April 2023	Sprintex to Participate in sHYpS
15 March 2023	Change in substantial holding
13 March 2023	Results of Meeting
1 March 2023	Reinstatement to Official Quotation
1 March 2023	Suspension from Quotation
1 March 2023	Half Year Accounts
13 February 2023	Notice of General Meeting/Proxy Form
6 February 2023	Change of Director's Interest Notice
1 February 2023	Proposed issue of securities

1 February 2023	Proposed issue of securities
1 February 2023	A\$3,121,000 CONVERTIBLE NOTE FUNDING SECURED
31 January 2023	Quarterly Activities/Appendix 4C Cash Flow Report
31 January 2023	Trading Halt
6 January 2023	Notification of cessation of securities
19 December 2022	First Fuel Cell Compressor Production Order Secured
30 November 2022	Results of Meeting
30 November 2022	AGM Presentation
31 October 2022	Quarterly Activities/Appendix 4C Cash Flow Report
28 October 2022	Letter to Shareholders - Notice of AGM/Proxy Form
28 October 2022	Notice of Annual General Meeting/Proxy Form
19 October 2022	New High-Speed e-compressors Launch
23 September 2022	Director Nominations
23 September 2022	Change of Director's Interest Notice
31 August 2022	Appendix 4G and Corporate Governance Statement
31 August 2022	Annual Report to shareholders
29 July 2022	Quarterly Activities/Appendix 4C Cash Flow Report
28 July 2022	Notification regarding unquoted securities
28 July 2022	Application for quotation of securities

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website (www.sprintex.com.au).

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.046	11 July 2023
Lowest	\$0.02	9 May 2023
Last	\$0.041	18 July 2023

7.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, the following persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue in the Company:

Shareholder	Shares	% ¹
China Automotive Holdings Limited	40,900,000	15.28%
Mr Michael John Wilson and Mrs Megan Joy Wilson	32,000,000	11.95%
Euro Mark Limited	23,361,084	8.73%
David Paul Steicke	23,277,778	8.70%
E&E Turbo-Power Co Limited	15,697,582	5.86%

Notes:

1. Based on the total issued capital of 267,687,660 Shares prior to the issue of Shares under the Placement and the SPP.
2. These parties may participate in the SPP Offer up to an amount of \$30,000.

The Company confirms that no existing Shareholder will increase its Shareholding to above 19.9% as a result of the Placement or the Offers. In the event that participation of CAHL in the Placement would breach the General Prohibition, the allocation of Shares to CAHL will be scaled back accordingly. Furthermore, CAHL will not participate in the SPP Offer.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, 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 pursuant to this Prospectus; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or

otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus and following completion of the Offers is set out in the table below.

Date of this Prospectus

Director	Shares	Options²	Performance Rights
Jude Upton	1,636,177 ¹	-	5,000,000 ¹
Steven Apedaile	5,804,195 ²	-	2,500,000 ⁴
Li Chen	8,368,216 ³	-	5,000,000 ³

Notes:

1. Held by Top Fuel Promotions Pty Ltd (an entity controlled by Jude Upton).
2. Held by Steven James Apedaile and Mrs Michelle Apedaile <Apedaile Family A/C>.
3. Held by Lidx Technology Limited (an entity controlled by Li Chen).
4. Held by Mr Steven James Apedaile and Mrs Michelle Apedaile <Super Fund A/C>.

Completion of the Offers

Director	Shares	Options¹	Performance Rights²
Jude Upton	2,747,288	555,556	5,000,000
Steven Apedaile	6,937,528	566,667	2,500,000
Li Chen	9,479,327	555,556	5,000,000

Notes:

1. Exercisable at \$0.10 on or before 30 June 2025.
2. The Performance Rights will vest and be convertible into Shares on the achievement of \$20,000,000 of annual revenue by 30 June 2024 (validated by audited/reviewed financial reports)

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. 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 ASX 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. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

In addition, 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 following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Proposed Remuneration for Current Financial Year (30 June 2023)	Remuneration for Previous Financial Year (30 June 2022) ⁴	Remuneration for Previous Financial Year (30 June 2021)
Jude Upton	240,00 ¹	240,000	50,000
Steven Apedaile	59,670 ²	48,355	8,333
Li Chen	40,000 ³	40,000	8,333

Notes:

1. Comprising director fees of \$240,000.
2. Comprising director fees of \$54,000 and superannuation of \$5,670.
3. Comprising director fees of \$40,000.
4. These figures have been adjusted from the Company's annual report for the financial year ending 30 June 2022 to remove share-based payments, as the vesting conditions for the performance rights were not achieved and no benefits were received.

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person 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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or

- (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$84,638.79 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, 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 included in this Prospectus with the consent of that party as specified in this Section.

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

7.8 Estimated expenses of SPP Offer

The total expenses of the SPP Offer is estimated to be approximately \$30,000 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	5,683
Legal Fees	20,000
Miscellaneous, printing and other expenses	1,111
Total	30,000

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9262 7277 and the Company will send you, for free, either a hard copy or a further electronic copy of the 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 electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

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. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This 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 has consented to the lodgement of this Prospectus with the ASIC.

Jay Upton
Managing Director
For and on behalf of
SPRINTEX LIMITED

9. DEFINITIONS

\$ means Australian dollars.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 1.1 of this Prospectus (unless extended or brought forward).

Company means Sprintex Limited (ACN 106 337 599).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholders are Shareholders with a registered address in Australia, New Zealand, China, Hong Kong and Malaysia who were registered holders of Shares on the Record Date.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offers as specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Placement has the meaning given in Section 2.1.

Placement Options Offer Closing Date means the closing date for the Placement Options Offer as specified in the timetable set out in Section 1.1.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out in Section 1.1.

Section means a section of this Prospectus.

Securities means Shares and/or Options.

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

Shareholder means a shareholder of the Company.

SPP means security purchase plan.

SPP Application Form means the Application Form for the SPP.

SPP Closing Date means the closing date for the SPP Offer as specified in the timetable set out in Section 1.1.

SPP Offer has the meaning given to that term on the cover page of this Prospectus.

SPP Options means the Options to be offered to Eligible Shareholders who subscribe for Shares under the SPP, with an exercise price of \$0.10 each, expiring on 30 June 2025.

WST means Western standard time as observed in Perth, Western Australia.