

SPRINTEX LIMITED

ACN 106 337 599

PROSPECTUS

For the offer of:

- (a) up to 13,333,333 Shares at an issue price of \$0.075 per Share to Eligible Shareholders, together with one free-attaching Option, exercisable at \$0.10 each on or before the date that is one year from the date of issue of the Options, for every two Shares subscribed for by Eligible Shareholders under the SPP, to raise up to \$1,000,000 (**SPP Offer**);
- (b) up to 26,666,667 Options, exercisable at \$0.10 each on or before the date that is one year from the date of issue of the Options, to participants in the Placement, on the basis of one free-attaching Option for every two Shares subscribed for and issued to the participants under the Placement (**Placement Options Offer**);
- (c) 1,000,000 Options, exercisable at \$0.10 each on or before the date that is one year from the date of issue of the Options, to the Lead Manager (or its nominees) (**Lead Manager Options Offer**); and
- (d) 1,000 Shares in the capital of the Company at an issue price of \$0.073 per Share to raise \$73 (before expenses) (**Cleansing Offer**).

(together, the **Offers**).

SECURITY PURCHASE PLAN INFORMATION

The SPP is currently scheduled to close at 5:00pm (WST) on 10 December 2021. 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 under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Jude Upton
Managing Director

Steven Apedaile
Non-Executive Director

Li Chen
Non-Executive Director

Company Secretary

Michael van Uffelen

ASX Code

SIX

Registered Office

Unit 2/63 Furniss Road
DARCH WA 6065

Telephone: +61 8 9262 7277

Email: info@sprintex.com.au

Website: www.sprintex.com.au

Share Registry*

Advanced Share Registry
110 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

PKF Perth Level 5
35 Havelock Street
WEST PERTH WA 6005

Lead Manager

Viriathus Capital Pty Ltd
(ACN 113 959 596) (AFSL: AFSL: 297950)
International Towers One, I35/100
Barangaroo Ave
BARANGAROO NSW 2000

* 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.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date*
Record Date of SPP	1 November 2021
Announcement of SPP and Placement	2 November 2021
Lodgement of Prospectus with the ASIC and ASX	8 November 2021
Opening Date of Offers under the Prospectus	8 November 2021
Date of Annual General Meeting	10 December 2021
Closing Date of the SPP Offer and announcement of the results of the SPP Offer	10 December 2021
Closing Date of the Placement Options Offer and Lead Manager Options Offer	10 December 2021
Issue of Securities under the Offers (other than the Cleansing Offer)	10 December 2021
Closing Date of the Cleansing Offer	13 December 2021

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

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

2.2 Important Notes

This Prospectus is dated 8 November 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their 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.

2.3 ASIC Instrument

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.

The ASIC Instrument only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of:

- (a) the period during which the class was quoted; and
- (b) the period of 12 months before the day on which the offer is made.

As the Company's securities were suspended from quotation for more than five days in the previous 12 months, the Company is unable to rely on the relief granted by the ASIC Instrument and, therefore, is undertaking the security purchase plan (**SPP**) under this Prospectus.

2.4 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 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 (www.sprintex.com.au). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

2.5 Web Site – 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 resident and must only access this Prospectus from within Australia.

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.

2.6 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 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 Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.7 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 in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.8 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 our Company, the Directors and our management.

We cannot and do 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.

We have 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 of this Prospectus.

2.9 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

2.10 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.

3. BACKGROUND TO THE OFFERS

3.1 Overview

As announced on 2 November 2021, the Company is intending to raise up to approximately \$5,000,000 to fund its growth working capital requirements via:

- (a) a security purchase plan, pursuant to which the Company will seek to raise up to \$1,000,000 (**SPP**), through the issue of up to 13,333,333 Shares at an issue price of \$0.075 (**SPP Shares**), together with one free-attaching Option exercisable at \$0.10 each on or before the date that is one year from the date of issue of the Options (**SPP Option**) for every 2 SPP Shares subscribed for and issued under the SPP (being, up to 6,666,667 SPP Options) (**SPP Offer**);
- (b) a placement of up to 53,333,334 Shares to professional and sophisticated investors at an issue price of \$0.075 per Share (**Placement Shares**), together with one free-attaching Option exercisable at \$0.10 each on or before the date that is one year from the date of issue of the Options (**Placement Option**), for every 2 Placement Shares subscribed for and issued (being, up to 26,666,667 Placement Options) to raise up to a total of \$4,000,000 (**Placement**) (**Placement Options Offer**); and
- (c) a cleansing offer, pursuant to which the Company will seek to raise \$73, through the issue of 1,000 Shares at an issue price of \$0.073 per Share (**Cleansing Offer**).

In addition, the Company is seeking to issue 1,000,000 Options exercisable at \$0.10 on or before the date that is one year from their date of issue (**Lead Manager Options**) to the Lead Manager (defined below) (or its nominees) in part consideration for services provided in respect of the SPP and Placement (the **Lead Manager Options Offer**).

Together, the SPP Offer, Placement Options Offer, Cleansing Offer and Lead Manager Options Offer are referred to as the **Offers**.

In the event that less than \$1,000,000 is applied for under the SPP Offer by Eligible Shareholders, the Directors will seek to place that number of Shares at an issue price of \$0.075 per Share to raise up to \$1,000,000 when combined with the amount raised under the SPP Offer (**Shortfall Offer**). The Company notes that the Shortfall Offer is subject to Shareholder approval at the Company's annual general meeting.

The Company intends to apply the funds raised under the Placement and the SPP towards building and fit out costs of the Company's new production facility, production and testing equipment costs, engineering and development costs, inventory build costs and working capital (refer to Section 5.1 for further detail).

Further details in relation to the Placement and the SPP are set out in the ASX announcement released on 2 November 2021 (**Capital Raising Announcement**) and will be set out in the Company's notice of annual general meeting to be released to ASX on or around 10 November 2021 (**Notice of Meeting**).

3.2 Background to the Placement and the Placement Options Offer

As set out above, the Company intends to issue up to 53,333,334 Shares to professional and sophisticated investors at an issue price of \$0.075 per Share raise up to a total of \$4,000,000 pursuant to the Placement. The Company has completed the first tranche of the Placement, issuing 20,409,654 Shares (**Tranche 1 Placement**) on 8 November 2021, pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1.

The second tranche of the Placement, comprising the issue of up to 32,923,680 Shares (**Tranche 2 Placement**) will be completed or on around 10 December 2021, subject to the Company obtaining Shareholder approval at its annual general meeting to be held on or around 10 December 2021 (**Annual General Meeting**).

The Company has also agreed, subject to obtaining Shareholder approval to be obtained at the Annual General Meeting, to issue participants in the Placement one Placement Option for every two Shares subscribed for and issued under the Placement (refer to Section 6.1 for the terms and conditions of the Options).

The Placement Options are being offered under the Placement Options Offer pursuant to this Prospectus. Further details are set out in Sections 4.1 and 5.1.

3.3 Background to the SPP and the SPP Offer

As announced on 2 November 2021, the Company is offering Shareholders who were registered as holders of Shares at 5:00pm (WST) on 1 November 2021 (the **Record Date**) and whose registered address is in Australia (**Eligible Shareholders**) the opportunity to subscribe for a maximum of \$30,000 worth of new Shares at an issue price of \$0.075 per Share, to raise up to an aggregate of \$1,000,000 (before costs) under the Company's SPP. This is a 9% discount to the VWAP for Shares calculated over the last five (5) days on which sales of the Shares were recorded before the date of announcement of the SPP.

The Company has also agreed, subject to obtaining Shareholder approval at the Annual General Meeting, to offer Eligible Shareholders who participate in the SPP one SPP Option for every two Shares subscribed for and issued under the SPP (refer to Section 6.1 for the terms and conditions of the Options).

The SPP Shares and SPP Options offered under the SPP Offer are being offered pursuant to this Prospectus. Further details in respect of the SPP Offer are set out in Sections 4.2 and 5.1.

3.4 Background to the Lead Manager Options Offer

As announced on 2 November 2021, the Company has engaged Viriathus Capital Pty Ltd (ACN 113 959 596) (AFSL: AFSL: 297950) to act as the lead manager to the Placement and SPP (**Viriathus Capital** or **Lead Manager**).

The engagement commenced on 11 October 2021 and will continue until the later of the completion of the SPP Offer and Placement Options Offer and a period of six (6) months.

In consideration for its services as Lead Manager, the Company has agreed to pay Viriathus Capital:

- (a) a management fee of 2% of the gross amount raised under the Placement (plus GST);

- (b) a placement fee of 4% of the gross amount raised under the Placement (plus GST);
- (c) a SPP management fee of 3% of the gross amount raised under the SPP (plus GST);
- (d) a DVP establishment fee of \$7,500 (plus GST); and
- (e) 1,000,000 Options exercisable at \$0.10 on or before the date that is one year from their date of issue (being, the **Lead Manager Options**).

Please refer to Sections 4.4 and 5.1 for further detail regarding the Lead Manager Options Offer.

4. DETAILS OF THE OFFERS

4.1 The Placement Options Offer

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

Based on the number of Shares proposed to be issued under the Placement, approximately 26,666,667 Options may be issued under the Placement Options Offer. No funds will be raised from the issue of the Placement Options.

The issue of the Placement Options is subject to Shareholder approval being obtained at the Annual General Meeting.

The Placement Options will be exercisable at \$0.10 each on or before 5:00 pm (WST) on the date that is one year from the date of issue and otherwise on the terms set out in Section 6.1. All of the Shares issued upon exercise of the Placement Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Placement Options Offer is set out in Section 5.1.

4.2 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 \$0.075 per Share, together with one SPP Option for every two SPP Shares subscribed for and issued. Fractional entitlements will be rounded up 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 Shares (being \$0.075 per Share) is equal to or greater than 80% of the VWAP of Shares for the five days in which trading in the Shares occurred before the date of the announcement of the SPP Offer.

The issue of the SPP Options is subject to Shareholder approval being obtained at the Annual General Meeting.

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 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The SPP Options offered under the SPP Offer pursuant to this Prospectus will be exercisable at \$0.10 each on or before 5:00 pm (WST) on the date that is one year from the date of issue and otherwise on the terms set out in Section 6.1. 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 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the SPP Offer is set out in Section 5.1. The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Securities offered under the SPP Offer.

4.3 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 was in Australia.

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.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

4.4 Shortfall Offer

In the event that less than \$1,000,000 is applied for under the SPP Offer by Eligible Shareholders, the Directors will seek to place any Securities not taken up pursuant to the SPP Offer under the Shortfall Offer (**Shortfall Securities**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the SPP Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.075, being the price at which Shares are being offered under the SPP Offer.

The allocation of Shortfall Securities will be at the absolute discretion of the Board. Accordingly, do not apply for Shortfall Securities unless instructed to do so by the Company.

4.5 The Lead Manager Options Offer

The Lead Manager Options Offer is an offer of 1,000,000 Options to the Lead Manager in part consideration for services provided to the Company in respect of the Placement and the SPP.

The issue of the Lead Manager Options is subject to Shareholder approval being obtained at the Annual General Meeting.

The Lead Manager Options will be exercisable at \$0.10 each on or before 5:00 pm (WST) on the date that is one year from the date of issue and otherwise on the terms set out in Section 6.1. All of the Shares issued upon exercise of the Lead Manager Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Lead Manager Options Offer is set out in Section 5.1.

4.6 The Cleansing Offer

By the Cleansing Offer under this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.0730 per Share to raise \$73 (before costs).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under the Cleansing Offer will rank equally with Shares on issue at the date of this Prospectus. Please refer to Section 6.2 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares offered pursuant to the Cleansing Offer.

The purpose of the Cleansing Offer is set out in section 5.1.

4.7 Minimum subscription

There is no minimum subscription to the Offers.

4.8 Not underwritten

The Offers are not underwritten.

4.9 Lead Manager

As set out above, the Company has appointed Viriathus Capital as the Lead Manager to the Placement and the SPP.

Further details in respect of the appointment of the Lead Manager and the fees payable to the Lead Manager are set out in Section 3.4 above, the Capital Raising Announcement and the Notice of Meeting.

4.10 Applications

Placement Options under the Placement Options Offer

The Placement Options Offer will only be extended to the participants (or their nominees) who have participated in the Tranche 1 Placement or who will participate in the Tranche 2 Placement. Placement Options Offer Application Forms will only be provided to these participants on invitation by the Directors.

No subscription monies are payable for the Placement Options offered pursuant to this Prospectus as the Placement Options are being issued on the basis of one free-attaching Option for every two Shares subscribed for and issued under Placement.

Completed Application Forms must be mailed or delivered 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 Options Offers Closing Date**.

SPP Options under the 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 a maximum of \$30,000 worth of Shares. 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
Offer A	\$2,000	26,667
Offer B	\$5,000	66,667
Offer C	\$10,000	133,334
Offer D	\$15,000	200,000
Offer E	\$20,000	266,667
Offer F	\$30,000	400,000

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

Completed Application Forms and payment of the application moneys must be mailed or delivered 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 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 completing a SPP Application Form, please contact the Company on +61 8 9262 7277.

Lead Manager Options under the Lead Manager Options Offer

The Lead Manager Options Offer will only be extended to the Lead Manager (or its nominees). Accordingly, the Lead Manager Options Offer Application Form will only be provided to the Lead Manager (or its nominees).

No subscription monies are payable for the Lead Manager Options offered pursuant to this Prospectus as the Lead Manager Options are being issued in part consideration for services provided to the Company (refer to Section 3.4 for further detail).

Completed Application Forms must be mailed or delivered 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 Options Offers Closing Date**.

Shares under the Cleansing Offer

Applications for Shares under the Cleansing Offer must be made by investors at the direction of the Company and must be made using the relevant Application Form accompanying this Prospectus in accordance with the instructions outlined in the Application Form.

Completed Application Forms and cheques must be mailed or delivered 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 Cleansing Offer Closing Date**.

The Company reserves the right to close the Cleansing Offer early.

4.11 Payment – SPP Offer

(a) By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Sprintex Limited" and crossed "Not Negotiable".

Your completed Application Form and cheque must be received by Company's share registry no later than 5:00pm (WST) on the SPP Closing Date.

(b) 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®:

- (iii) you do not need to submit the SPP Application Form but are taken to have made the declarations on that SPP Application Form; and
- (iv) 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.

4.12 Issue of Securities

Issue of Securities 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. 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 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 cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

4.13 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. 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 Shares 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 for subscription.

The Company will not apply for Official Quotation of any of the Options or issued pursuant to this Prospectus.

4.14 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.

Residents of countries outside Australia 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.

4.15 Enquiries

Any questions concerning the Offers should be directed to Michael van Uffelen, Company Secretary, on +61 8 9262 7277.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Placement and the Offers

Placement and SPP Offer

The primary purpose of the SPP Offer and the Placement is to raise up to approximately \$5,000,000 (before costs and assuming full subscription).

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

Proceeds of the SPP Offer and Placement	(\$)	%
Building and fit out costs of new production facility	440,000	8.8%
Production and testing equipment costs	665,000	13.3%
Engineering and development costs	750,000	15.0%
Inventory build costs	1,940,000	38.8%
Working capital	902,175	18.0%
Expenses of the Offers (including the Lead Manager Fees) ¹	302,825	6.1%
Total	\$5,000,000	100.0%

Notes:

1. Refer to Sections 3.4 and 8.8 for further details relating to the fees payable to the Lead Manager and the estimated expenses of the Offers (respectively).

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 Placement and SPP Offer, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the SPP Offer is not fully subscribed, the Company will seek to scale back inventory build and or delay some of the work, while it seeks alternative sources of funding (as required).

Placement Options Offer

The Placement Options Offer is 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 Placement Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Placement 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 (other than funds raised if the Placement Options are subsequently exercised).

Lead Manager Options Offer

The Lead Manager Options Offer is 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 Lead Manager Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Lead Manager 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 Lead Manager Options Offer as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided to the Company by the Lead Manager.

Cleansing Offer

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Cleansing Offer Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors 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.

All funds raised from the Cleansing Offer will be applied towards the expenses of the Offers.

5.2 Effect of the SPP Offer and the Placement

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

- (a) increase the cash reserves by \$5,000,000 (before deducting the estimated expenses of the Placement and the SPP Offer) immediately after completion of the Placement and the SPP Offer; and
- (b) increase the number of Shares on issue from 234,380,988 (prior to the issue of the second tranche of the Placement Shares) to 280,639,001 Shares following completion of the Placement and the Offers; and
- (c) increase the number of Options on issue from 10,000,000 to 44,333,334 Shares following completion of the Placement and the Offers.

5.3 Effect on capital structure

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

Shares ¹	Number
Shares currently on issue ¹	213,971,334
Shares offered under Tranche 1 Placement ^{1,2}	20,409,654
Shares offered under the Tranche 2 Placement ³	32,923,680
Shares offered under the SPP Offer	13,333,333
Shares issued under the Cleansing Offer	1,000
Total Shares on issue on completion of the Placement and Offers⁴	280,639,001

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 6.2.
2. These Shares were issued on the date of this Prospectus.
3. This assumes the maximum number of Shares are issued under the Tranche 2 Placement. The issue of Shares under the Tranche 2 Placement is conditional upon Shareholder approval being obtained at the Annual General Meeting.
4. This assumes the SPP Offer and the Tranche 2 Placement is fully subscribed and no existing Options on issue are exercised.

Options	Number
Unlisted Options exercisable at \$0.086 each on or before 12 April 2024	5,000,000
Unlisted Options exercisable at \$0.086 each on or before 19 May 2024	3,000,000
Unlisted Options exercisable at \$0.15 each on or before 19 May 2024	2,000,000
Options offered under the Placement Options Offer ¹	26,666,667
Options offered under the SPP Offer ²	6,666,667
Options offered under the Lead Manager Offer ³	1,000,000
Total Options on issue on completion of the Placement and Offers⁴	44,333,334

Notes:

1. The terms of the Placement Options are summarised in Section 6.1. The issue of the Placement Options is subject to receipt of Shareholder approval at the Annual General Meeting.
2. The terms of the SPP Options are summarised in Section 6.1. The issue of the SPP Options is subject to receipt of Shareholder approval at the Annual General Meeting.
3. The terms of the Lead Manager Options are summarised in Section 6.1. The issue of the Lead Manager Options is subject to receipt of Shareholder approval at the Annual General Meeting. Refer to Section 3.4 for further detail regarding the terms of engagement of the Lead Manager.
4. This assumes the SPP Offer and the Tranche 2 Placement is fully subscribed and no existing Options on issue are exercised.

5.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2021 and the pro-forma balance sheet as at 30 June 2021 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.

	Audited	Proforma	Proforma
	30 June 2021	Maximum Raise	Minimum Raise
	\$	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2,536,790	7,289,290	6,289,290
Pledged bank deposits	30,000	30,000	30,000
Trade and other receivables	392,040	392,040	392,040
TOTAL CURRENT ASSETS	2,958,830	7,711,330	6,711,330
NON-CURRENT ASSETS			
Property, plant and equipment	246,965	246,965	246,965
Right of use asset	250,176	250,176	250,176
TOTAL NON-CURRENT ASSETS	497,141	497,141	497,141
TOTAL ASSETS	3,455,971	8,208,471	7,208,471
CURRENT LIABILITIES			
Trade and other payables	245,001	245,001	245,001
Borrowings	10,805	10,805	10,805
Provisions	82,057	82,057	82,057
Building lease liabilities	175,111	175,111	175,111
TOTAL CURRENT LIABILITIES	512,974	512,974	512,974
NON-CURRENT LIABILITIES			
Borrowings	7,203	7,203	7,203
Building lease liabilities	90,895	90,895	90,895
TOTAL NON-CURRENT LIABILITIES	98,098	98,098	98,098

	Audited	Proforma	Proforma
	30 June 2021	Maximum Raise	Minimum Raise
	\$	\$	\$
TOTAL LIABILITIES	611,072	611,072	611,072
NET ASSETS / (LIABILITIES)	2,844,899	7,597,399	6,597,399
EQUITY			
Contributed equity	65,834,374	70,586,874	69,586,874
Reserves	787,241	787,241	787,241
Accumulated losses	-63,776,716	-63,776,716	-63,776,716
TOTAL EQUITY / (DEFICIENCY)	2,844,899	7,597,399	6,597,399

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted for the maximum number of Securities offered, no existing Options are exercised prior to the Record Date and including expenses of the Offers.

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 below. 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.

6. 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.

6.1 Terms and conditions of the SPP Options, Placement Options and Lead Manager Options

(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 5:00 pm (WST) on or before one (1) year from the date of issue (**Expiry Date**). An Option not exercised before the 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)(i) 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 Optionholder 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.

6.2 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.

7. RISK FACTORS

7.1 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.

7.2 Company specific

(a) Going Concern

The Company's audited annual financial report for the year ended 30 June 2021 includes an explanatory note in the Company's accounts to the following effect:

"The Company has net assets of \$2,844,899 (2020: net liabilities of \$7,546,333) and net current assets of \$2,295,672 (2020: net current liabilities of \$7,728,038) as at 30 June 2021 and incurred a profit of \$127,636 (2020: loss of \$2,834,549) and net operating cash outflows of \$3,350,036 (2020: \$1,014,576) for the year ended 30 June 2021.

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.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business and economic activities and the realisation of assets and discharge of liabilities in the normal course of business. In arriving at this position, in the opinion of the directors the Company will, based on varying cash flow forecasts, have access to sufficient funds to meet administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

With the increasing disruption to normal economic and business activity, as a result of the COVID-19 pandemic announced by the World Health Organisation in March 2020 and the Federal Government's subsequent

announcements of protocols that have already been instigated and the potential for others, the likelihood of normal business operating conditions prevailing in the near term is uncertain. This creates a level of uncertainty about the future trading outlook for all organisations in Australia and the Company is no exception. It is not possible to reliably assess the potential impacts at the present time.

Consequently, the Directors believe that the above factors represents a material uncertainty that casts significant doubt as to whether the Company will be able to continue as a going concern and pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements."

(b) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

(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.

7.3 Industry specific

(a) Automotive industry risk

Changes in vehicle production volumes in markets where the Company operates and/or changes in the operations, financial condition or market share of the Company's customers may have an adverse effect on the Company, mitigated by diversification to industrial applications.

(b) 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.

(c) 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.

(d) **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.

(e) **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.

(f) **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.

(g) **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.

(h) **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.

(i) **Emissions standards**

Currently, the Company's main product lines are certified in accordance with CARB requirements. Whilst California is recognised as adopting the most stringent emission standards in the world for both vehicle emissions and industrial pollutants, the Company does not maintain certification elsewhere, meaning that in some jurisdictions testing may be required by vehicle licencing authorities to demonstrate emissions compliance. However, the Company notes that it does not consider this risk to be material as majority of the Company's sales are based on US models that require CARB and EPA approval (for which the Company has obtained) and CARB is recognised as being the most stringent emissions standards.

There is no guarantee that the Company will be able to continue to certify its products pursuant to CARB. Any change in regulation that resulted in the Company being unable to comply with CARB requirements would have material adverse effect on the sale of the Company's products in the USA and the Company's financial position.

7.4 General risks

(a) **Economic**

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

(b) **Market conditions**

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 for equities in general and resource exploration stocks in particular. Neither the

Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) **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.

(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 viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 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 speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 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.

8.2 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:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) 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
- (iii) 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	Description of Announcement
08/11/2021	Final Director's Interest Notice
08/11/2021	Director Retirement
02/11/2021	Proposed issue of securities - SIX
02/11/2021	Proposed issue of securities - SIX
02/11/2021	Placement, SPP and AGM Deferral
01/11/2021	Quarterly Activities/Appendix 4C Cash Flow Report
29/10/2021	Trading Halt
27/10/2021	Investor Webinar Presentation
26/10/2021	Investor Webinar
25/10/2021	Industrial Air Compressor Supply Agreement
21/10/2021	Future Energy Investor Conference Presentation
21/10/2021	Trading Halt
14/10/2021	Sprintex to Present at the Future Energy Investor Conference
29/09/2021	Director Nominations
14/09/2021	Reinstatement to Official Quotation
14/09/2021	Agreement to Supply Hydrogen Fuel Cell Compressors
13/09/2021	Suspension From Official Quotation
09/09/2021	Trading Halt
31/08/2021	Appendix 4G and Corporate Governance Statement

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:

8.3 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	\$0.135	14 September 2021
Lowest	\$0.06	26 August 2021 and 2 September 2021
Last	\$0.073	5 November 2021

8.4 Details of substantial holders

Based on publicly available information as at 5 November 2021, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	% ¹
China Automotive Holdings Limited	33,154,390	14.14%
Mr Michael John Wilson and Mrs Megan Joy Wilson	28,321,511	12.08%
Euro Mark Limited	21,027,296	8.97%

Note:

1. Calculated on the basis there are 234,380,988 Shares on issue (being, the number of Shares on issue following completion of the issue of the Tranche 1 Shares under the Placement).

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offers.

The Company has confirmed that no existing Shareholder will increase its Shareholding to above 19.9% as a result of the Placement or the Offers.

8.5 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 is set out in the table below.

Director	Shares	Options
Jude Upton	47,844 ¹	Nil
Li Chen	7,034,883 ²	Nil
Steven Apedaile	2,717,588 ³	Nil

Notes:

1. Held by Top Fuel Promotions Pty Ltd (an entity controlled by Jude Upton).
2. Held by Lidx Technology Limited (an entity controlled by Li Chen).
3. Consisting of 127 Shares held by Powertraveller Pty Limited (an entity controlled by Steven Apedaile) and 2,717,371 Shares held by Steven James Apedaile and Michelle Lynda Apedaile ATF The Apedaile S/F A/C.

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	Remuneration for the year ended 30 June 2019	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2021
Jude Upton ¹	-	-	\$50,000 ²

Director	Remuneration for the year ended 30 June 2019	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2021
Steven Apedaile ¹	-	-	\$8,333 ³
Li Chen ¹	-	-	\$8,333 ⁴

Notes:

1. Appointed as a Director on 16 April 2021.
2. Comprising of \$50,000 in fees and salary.
3. Comprising of \$8,333 in fees and salary.
4. Comprising of \$8,333 in fees and salary.

8.6 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 \$15,000 (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 \$351,573.09 (excluding GST and disbursements) for legal services provided to the Company.

Viriathus Capital Pty Ltd (ACN 113 959 596) (AFSL: AFSL: 297950) has acted as the Lead Manager to the Company in relation to the Offers. The fees the Lead Manager will receive for these services are set out in Section 3.4. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Lead Manager has not received any fees from the Company.

8.7 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.

Viriathus Capital Pty Ltd (ACN 113 959 596) (AFSL: AFSL: 297950) has given its written consent to being named as the Lead Manager to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Estimated expenses of Offers

The total expenses of the Placement and Offers are estimated to be approximately \$302,825 (excluding GST) and are expected to be applied towards the items set out in the table below:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	5,119
Lead Manager Fees	277,500
Legal Fees	15,000
Miscellaneous, printing and other expenses	2,000
Total	\$302,825

8.9 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.

8.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS 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 Shares 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 CHESS 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.

8.11 Privacy Act

If you complete an application for Shares, 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.

9. 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.



Michael van Uffelen
Company Secretary
For and on behalf of
Sprintex Limited

10. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offers.

Application Form means an application form either attached to or accompanying this Prospectus.

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 CHES.

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.

Cleansing Offer has the meaning given to that term in section 3.1.

Cleansing Closing Date means the closing date of the Cleansing Offer.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company means Sprintex Limited (ACN 106337599).

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 Shareholder has the meaning given to that term in Section 3.3.

Entitlement means the entitlement of an Eligible Shareholder to participate in the SPP Offer.

Lead Manager Options Offer has the meaning given to that term on the cover page of this Prospectus.

Offers means the Placement Options Offer, the SPP Offer, the Cleansing Offer and the Lead Manager Options Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Options Offers means the Placement Options Offer and Lead Manager Options Offer.

Options Offers Closing Date means the Closing Date of the Placement Options Offer and Lead Manager Options Offer.

Placement has the meaning given to that term in Section 3.1.

Placement Options has the meaning given to that term in Section 3.1.

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

Prospectus means this prospectus.

Record Date means the record date of the SPP, being 5.00pm (WST) on 1 November 2021.

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

Shareholder means a shareholder of the Company.

Share Registry means Automic Group (ACN 152 260 814).

SPP means security purchase plan.

SPP Application Form means the Application Form for the SPP.

SPP Closing Date means the closing date of the SPP Offer.

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

SPP Option has the meaning given to that term in Section 3.1.

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