

## EONX LOAN FACILITY AGREEMENT

**AGREEMENT** Dated 26th March 2021

**BETWEEN:** APN Ventures Pty Ltd (ACN 632 696 952) (“**Lender**”)

**AND:** Eonx Services Pty Ltd (ACN 615 958 873) (“**Borrower**”)

**AND:** EONX TECHNOLOGIES INC. Incorporation number BC1263205 (“**Parent**”)

### RECITALS

- A. The Lender has provided a loan facility (the “Loan”) in the amount set out in Item 3 of Schedule 1 (the “Principal Sum”), which has been previously advanced to the Borrower. This agreement is to amend and formalise the terms of the Loan on the terms and conditions set out in this Agreement.
- B. The Borrower is the wholly owned subsidiary of the Parent pursuant to a Share Swap Agreement among the parties dated January 1, 2021 which closed the date of this agreement resulting in the Parent acquiring all of the shares of the Borrower and the Lender becoming the controlling shareholder of the Parent.

### AGREEMENT

#### 1. INTERPRETATION

##### Definitions

In this Agreement unless the context otherwise requires:

“**Agreement**” means this Loan agreement between the Borrower and the Lender.

“**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which trading banks are open for general banking business in Melbourne.

“**Collateral**” means the assets the subject of the Security Interest granted to the Lender by the grantor under the General Security Deed including all of the grantor’s present and after-acquired rights, assets and undertakings, including all present and after-acquired property of the grantor, all present and after-acquired estates and interests in land in which the grantor has an interest, all present and after-acquired rights, assets and undertaking of the grantor in any PPSA retention of title property

and all present and after-acquired rights in the proceeds from the sale of any of the above property.

“**Claim**” means any allegation, debt, cause of action, liability (whether actual, contingent or prospective), claim, demand, proceeding, suit, investigation or audit of any nature and whether present or future, fixed or unascertained, actual or contingent, arising at law, in equity, under statute or otherwise.

“**Conversion Notice**” means a notice in the form set out in Schedule 2.

“**Default Interest Rate**” means the rate of interest then applicable pursuant to Section 2 of the *Penalty Interest Rates Act 1983* (Vic) plus 2%.

“**Event of Default**” means an event described in clause 8 of this Agreement.

“**General Security Deed**” means a general security deed that sets out the terms for the granting of Security Interest over a grantor’s Collateral by the grantor in favour of the secured party.

“**Interest Payment Date**” means the last Business Day of each Month.

“**Interest Rate**” means the rate of interest set out in Item 4 of Schedule 1;

“**Listing Rules**” means any rules or policies of a Recognised Stock Exchange, or any other law of any applicable jurisdiction dealing with the same or similar subject matter, which apply to a Listed Entity, each as amended or replaced from time to time.

“**Loan**” means a loan by the Lender to the Borrower of the Principal Sum pursuant to the terms of this Agreement.

“**Month**” means calendar month.

“**PPSA**” means the *Personal Property Securities Act 2009* (Cth).

“**Principal Sum**” means the amount referred to in Item 3 of Schedule 1 (or so much of it as remains outstanding);

“**Recognised Stock Exchange**” means any internationally recognised securities exchange or equivalent body in Australia or in any part of the world.

“**Repayment Date**” means the term of the loan as referred to in Item 6 of Schedule 1.

“**Security**” means each security described in clause 7 and any other mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge now or in the future given by the Borrower or any guarantor in favour of the Lender to secure the obligations of the Borrower under this Agreement and any guarantee executed by any guarantor.

**“Security Interest”** means a Security Interest as the term is defined in the PPSA or under any other law of any applicable jurisdiction dealing with the same or similar subject matter (as the case may be).

**“Share”** means common share without par value of the Parent.

**“Year”** means twelve months,

In this Agreement, unless the context otherwise requires:

- (a) words importing the singular number include the plural number and vice versa;
- (b) words importing any gender include every other gender;
- (c) references to any agreement or document are to that agreement or document (and, where applicable, any provision of that agreement or document) as amended, novated, supplemented or replaced from time to time;
- (d) a singular word includes the plural and vice versa;
- (e) references to any party to this Agreement, or any other document or arrangement, include that party's executors, administrators, substitutes, successors or permitted assigns;
- (f) references to any legislation or legislative provision include any statutory modification or re-enactment of, or any legislative provision substituted for, and any statutory instrument issued under, that legislation or legislative provision;

## **2. CONSIDERATION**

The parties acknowledge that the Principal Sum lent by the Lender to the Borrower will form the consideration for this Agreement and the Borrower acknowledges the receipt of the Principal Sum from the Lender.

## **3. FURTHER ADVANCES**

The Lender may from time to time, at the request of the Parent, make further advances to the Borrower, for any purpose which will be added to, and form part of the Loan, and for the avoidance of doubt, will be governed by the terms of this Agreement.

## **4. REPAYMENT**

Subject to clause 9.1, the Borrower will pay to the Lender the Principal Sum and all interest on the Principal Sum on the date set out in Item 8 of Schedule 1.

The Lender may, however, elect to be paid in accordance with clause 6.

## 5. INTEREST

- 5.1 Interest accrues daily on the Loan at the Interest Rate.
- 5.2 The Borrower must pay the interest in arrears on each Interest Payment Date.
- 5.3 Interest under this clause accrues daily and is calculated on the daily balance of the Loan on the basis of a 365-day year.
- 5.4 Interest which accrues up to any Interest Payment Date is payable on the earlier of:
- (a) the date on which the Loan is repaid in full; and
  - (b) the relevant Interest Payment Date,

and is capitalised to the extent that it has not been paid, on the relevant Interest Payment Date.

- 5.5 Nothing in this clause affects the Borrower's obligation to pay each amount which is due and payable under this Agreement on the date on which it falls due for payment.
- 5.6 Where any sum, or part of any sum, payable by the Borrower under this Agreement is not paid to the Lender on or before its due date for payment or if an Event of Default occurs, default interest will accrue on the outstanding amount. The accrued default interest:
- (a) must be paid by the Borrower to the Lender on demand by the Lender;
  - (b) will be calculated at the Default Interest Rate for which the outstanding amount is overdue;
  - (c) will accrue on and from the due date for payment of the outstanding amount up to but excluding the date of payment; and
  - (d) will be computed on a daily basis for actual days elapsed and will be compounded on the last day of each month.

## 6. CONVERSION OF LOAN

- 6.1 The Lender may at its sole discretion convert the whole or any part of the outstanding Loan plus accrued interest into Shares at any time or times on or before the Repayment Date subject to the following terms and conditions:

**Conversion Notice:** The Lender shall complete a Conversion Notice in the form attached hereto as Schedule 2 and deliver that Conversion Notice to the Borrower and the Parent. The Parent will forthwith:

- (a) Immediately determine the Issue Price and issue a news release (the "News Release"), (not later than one trading session after receipt of the Conversion Notice) disclosing the conversion of the Loan, the issue

price and the number of Shares issued to secure the Issue Price in according with the Listing Rules, and

- (b) authorise by directors resolution to reserve, allot and issue the Shares to the Lender credited as fully paid and non-assessable; and
- (c) issue a treasury order to the Parent's register and transfer agent to issue the Shares to the Lender within two business day of the issue of the News Release; and
- (d) the delivery of all documents by Parent to the Lender evidencing the Lender as the registered holder of those Converted Shares.

6.2 **Issue Price:** The issue price will be at the maximum discount permitted by the relevant Listing Rules to the last closing price of Shares traded on a Recognised Stock Exchange immediately preceding the conversion exercise (**Issue Price**).

6.3 **Conversion Shares:** The number of Shares required to be issued as Converted Shares is calculated as follows:

$$S = [N/IP]$$

Where:

- S means number of Shares to be issued on conversion.
- N means the quantum of the outstanding Loan and accrued interest nominated by the Lender to be converted into Converted Shares and as specified in the Conversion Notice.
- IP the Issue Price.

If a calculation relating to the issue of the Converted Shares under this Agreement results in a number that is, or includes, a fraction, the fraction is rounded up to the nearest whole number.

6.4 Regulatory approval for the issue of the Shares is not required provided the details of this Agreement and the issue of the Shares is fully disclosed in a prospectus of the Parent that is receipted (approved) by the British Columbia Securities Commission.

6.5 The Shares allotted on conversion of the whole or part of the outstanding Loan plus accrued interest will rank equally in all respects with all other Shares on issue.

6.6 The number of Shares to be converted is limited to that number which when added to the number of Shares held by all the directors and officers and insiders does not exceed 90% of the issued Shares of the Parent.

## 7. SECURITY

- 7.1 As security for the performance of the obligations of the Borrower under or in connection with this Agreement, the Borrower:
- (a) agrees to, as grantor, grant a Security Interest over its Collateral in favour of the Lender; and
  - (b) must execute and deliver a General Security Deed in favour of the Lender in a form acceptable to the Lender;
- 7.2 The Borrower waives its rights to receive any notice under the PPSA unless a requirement for notice cannot be excluded under the PPSA.
- 7.3 It is not incumbent on the Lender to:
- (a) give any notice of its rights under this Agreement or the Security to the Borrower, a guarantor or any other person; or
  - (b) enforce the Security or to take any steps or proceedings to enforce the Security,

unless the Lender thinks fit. The Lender is not liable for any omission to give any notice or for any delay in enforcing the Security.

- 7.4 The Borrower must do all things and pay all costs, within fourteen (14) days of a written request from the Lender, to enable the Lender to perfect and (if applicable) register the Security, including but not limited to:
- (a) signing all documents which the Lender requires;
  - (b) doing everything necessary to enable the Lender to lodge any Security or document contemplated by this Agreement;
  - (c) giving notice to, and seeking prior consent from, the Lender before dealing with any Collateral in any way;
  - (d) procuring the consent of any earlier encumbrance holders; and
  - (e) paying any costs and fees associated with consents and/or registrations.

## **8. GUARANTEE AND INDEMNITY**

- 8.1 The Parent, as guarantor (**Guarantor**), unconditionally and irrevocably provides a guarantee, in favour of the Lender, guaranteeing:
- (a) the due and punctual repayment by the Borrower of the Principal Sum and any interest accrued on the outstanding amount and of all sums payable by the Borrower under this Agreement; and
  - (b) all other obligations of the Borrower under this Agreement.

- 8.2 The Parent shall further indemnify and agrees to keep indemnified the Lender, as a separate and independent obligation and liability of the Guarantor, and hold the Lender harmless, against any costs, losses, expenses, Claims and damages as a result of a breach or non-performance by the Borrower of its obligations under this Agreement.
- 8.3 Each guarantee and indemnity in this clause 8 is a principal and continuing obligation and survives termination of this Agreement.

## **9. EVENTS OF DEFAULT**

- 9.1 If any of the events described in 9.2 occurs, the Loan, together with all interest accrued on the Loan and not then paid, and all other amounts payable under this Agreement and unpaid must, at the option of the Lender and despite any delay or previous waiver of the right to exercise that option, immediately become due and payable. The Lender will be able to enforce its rights under the Security without the necessity for any demand or notice.
- 9.2 Each of the following events is an Event of Default:
- (a) If the Borrower fails to pay any amount payable under this Agreement on the due date for payment of that money and such failure continues for more than seven (7) Business Days;
  - (b) If the Lender delivers a Conversion Notice but the conversion exercise set out in clause 6 does not take place within ninety (90) days of the date of the Conversion Notice;
  - (c) If the Borrower is in breach of any other agreement between the Borrower and the Lender;
  - (d) if a receiver, receiver and manager or provisional liquidator of the assets and undertaking or any part of the assets and undertaking of the Borrower or the Parent is appointed;
  - (e) if an application for the winding up or bankruptcy of the Borrower or the Parent is presented and the Borrower or the Parent (as the case requires) cannot within seven (7) Business Days reasonably satisfy the Lender that the application is frivolous or vexatious, an order is made for the winding up or bankruptcy, or any resolution is passed for the winding up, of the Borrower or the Parent, except that it will not be an Event of Default where the winding up of the Borrower or the Parent (as the case requires) is for the purpose of reconstruction or amalgamation and has the Lender's prior written consent;
  - (f) if any execution or other process of any court or authority is issued against, or levied on, the assets of the Borrower or the Parent for an amount exceeding AUD \$10,000.00 or an equivalent amount in any other currency and is not discharged or a stay of execution is not obtained within ten (10) Business Days or, a stay of execution having been so obtained, the execution or process

is not discharged within ten (10) days after the issue or levy of the execution or process (as the case requires);

- (g) if without the Lender's prior written consent, the Borrower or the Parent suspends payment generally or ceases to carry on its business or is unable to pay its debts within the meaning of section 585 of the *Corporations Act 2001* (Cth) or under any other law of any applicable jurisdiction dealing with the same or similar subject matter (as the case may be);
- (h) if any action is initiated by any competent authority with a view to striking the name of the Borrower or the Parent off the register of companies;
- (i) if without the Lender's prior written consent, the Borrower or the Parent enters into any arrangement, reconstruction or composition with its creditors or any of them;
- (j) if the Borrower, the Parent or other person appoints an administrator to the Borrower or the Parent or takes steps to do so or if an inspector is appointed to investigate the affairs of the Borrower or the Parent;
- (k) if without the Lender's prior written consent, the Borrower or the Parent reduces its share capital or attempts to do so;
- (l) if the Borrower or the Parent is in default under any other arrangement for the provision of financial accommodation and such default has continued without remedy for fourteen (14) Business Days, whether or not the default has been waived, except to the extent in any instance that the existence or enforceability of the relevant arrangement is, to the reasonable satisfaction of the Lender, being disputed in good faith by the Borrower or guarantor (as the case requires) by appropriate and current proceedings;
- (m) if without the Lender's prior written consent, there is a change in control of the Borrower or the Parent.
- (n) if the shares of the Borrower or any related body corporate or the Parent are listed on any Recognised Stock Exchange, the listing is suspended or revoked and that suspension or revocation remains in force for fourteen (14) Business Days;
- (o) if the Security becomes unenforceable or ceases to be fully binding for any reason other than discharge or release in accordance with its terms; or
- (p) if there is a material adverse change, in the Lender's opinion, in the business or financial condition of the Borrower or the Parent.

## **10. STAMP DUTY**

- 10.1 The Borrower will pay all stamp duty (if applicable) to this Agreement and all stamp duty from time to time assessed or payable on the Security and any security collateral



or auxiliary thereto and will indemnify the Lender in respect of it and will pay the Lender's legal costs of and incidental to the preparation of this Agreement.

- 10.2 The Borrower agrees to indemnify the Lender and keep the Lender indemnified in respect of all stamp duty payable in respect of the Principal Sum.

## **11. NOTICE**

- 11.1 Any notice or demand to be given or made by the Lender under this Agreement will be deemed to be duly given or made if the same be in writing and signed by the Lender or otherwise on the Lender's behalf and left at or sent by post to last known address of the Borrower.

- 11.2 In the case of service by post service shall be deemed to be effected on the next day following the day of such postage.

## **12. COSTS**

The Borrower must pay all taxes, duties, fees, costs and expenses in relation to the negotiation, preparation, execution, delivery, stamping, registration and discharge of this Agreement and the enforcement or protection or attempted or contemplated enforcement or protection of any rights or powers of the Lender under this Agreement, including, but not limited to, any legal costs and expenses and any professional consultant's fees in respect of any of the above on a full indemnity basis.

## **13. GENERAL**

- 13.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, among the Parties with respect to the subject matter of this Agreement except as specifically set out herein.
- 13.2 No director, officer, employee or agent of any Party has any authority to make any representation, warranty or covenant not contained in this Agreement, and each Party agrees that it has executed this Agreement without reliance upon any such representation or promise.
- 13.3 No consent or waiver, express or implied, by either Party to or of any breach or default by the other of any or all of its obligations under this Agreement shall eliminate or modify the need for a specific consent or waiver in any other or subsequent instance.
- 13.4 This Agreement may not be amended except by written agreement executed by both Parties to this Agreement.

- 13.5 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. Time is of the essence of this Agreement.
- 13.6 Each party shall, at its own expense, execute and deliver all such further agreements and documents and do such further acts and things as may be reasonably required to give effect to this Agreement.
- 13.7 This Agreement is governed by and is to be construed under the laws of the State of Victoria, and each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the State of Victoria and waives any claim or objection based on absence of jurisdiction or inconvenient forum.
- 13.8 **Further assurances:** Each party hereto shall from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that another party hereto may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.
- 13.9 **Notices:** Every notice, request, demand or communication required or permitted to be given under this Agreement shall be in writing and delivered by hand or email to the Party which it is to be given as follows:

To the Lender, APN Ventures Pty Ltd.

Address: Level 5, 150 Albert Road, South Melbourne, 3205

Attention: Andrew Kallen

Email: andrew.kallen@eonx.com>

To the Borrower: EONX SERVICES PTY LTD

1183 Toorak Road, Camberwell VIC 3124

Attention: secretary

Email:

To the Parent: Eonx Technologies Inc.

1183 Toorak Road, Camberwell VIC 3124

Attention: secretary and CEO

Email: CEO Andrew Kallen <andrew.kallen@eonx.com>

Secretary: John Dinan <john@squarefinancial.com.au>

or to such other address, facsimile number or email address as is specified by a Party by notice to the other Party given in accordance with this clause 13.9. Any such notice, demand, request or direction shall be deemed to have been given and received if delivered, on the next Business Day after the day of delivery, and if sent by facsimile transmission, on the first Business Day after the day of transmittal.

13.10 **Independent Legal Advice:** The Parties hereto acknowledge and agree that they have been advised to seek, and have had the opportunity to obtain, independent legal advice with respect to the terms of this Agreement prior to its execution, and further acknowledge and agree that they fully understand the terms of this Agreement and their respective rights and obligations hereunder.

13.11 **Execution and Counterparts:** This Agreement may be executed in any number of counterparts and any Party may deliver any such counterpart by facsimile or other electronic transmission. Each counterpart, when so executed and delivered, shall be deemed to be an original and all such executed counterparts taken together shall constitute one and the same instrument.

13.12 **Assignment:**

- (a) The Borrower and the Parent must not assign this Agreement or any of their rights or obligations under this Agreement without the Lender's prior written consent.
- (b) The Lender may at any time assign, charge, transfer by novation or otherwise deal with its rights under this Agreement and the Security. Without limiting the generality of this clause, the Lender may also participate its rights under the whole or any part of this Agreement, the Security or this Agreement and the Security. The Lender may transfer the whole or any part of its obligations similarly.
- (c) The Lender may, for the purposes of any participation or assignment, disclose to a potential participant or assignee all information in its possession about the Borrower or the Parent. Where the Lender assigns or participates its rights, obligations or both as contemplated by this clause, the Borrower and the Parent must do all acts and things and execute all documents as may, in the Lender's opinion, be reasonably necessary, desirable or expedient to effect the assignment or participation. The benefit of all provisions of this Agreement will ensure, once the necessary changes have been made, for the benefit of the assignee or participant.

**Executed as an Agreement:**

**EXECUTED** by  
**APN Ventures Pty Ltd** by its duly  
authorised representative:



Signature of authorised person

Managing Director

Office held

ANDREW KALLEN

Name of authorised person (print)

26 March 2021

Date

**EXECUTED** by  
**Eonx Services Pty Ltd** by its duly  
authorised representative:



Signature of authorised person

CEO

Office held

ANDREW KALLEN

Name of authorised person (print)

26 March 2021

Date

Type text here

**EXECUTED** by  
**EONX Technologies Inc.** by its duly  
authorised representative:



Signature of authorised person

CFO

Office held

John Dinan

Name of authorised person (print)

26 March 2021

Date

## **SCHEDULE 1 – LOAN FACILITY DETAILS**

<b>Item 1</b>	The Lender:	APN Ventures Pty Ltd (ACN 632 696 952)
<b>Item 2</b>	The Borrowers:	<b>EONX SERVICES PTY LTD</b>
<b>Item 3</b>	Principal Sum:	<b>AUD\$ 2,282,499.76 as of 23 March 2021</b>
<b>Item 4</b>	Interest Rate:	5.00% calculated daily on the principal sum outstanding and on an Accrual basis, payable on settlement.
<b>Item 5</b>	Purpose of Loan:	Provided for working capital assistance to the Borrower as per the following: <ul style="list-style-type: none"><li>• for working capital</li></ul>
<b>Item 6</b>	Term of Loan:	Three (3) years.
<b>Item 7</b>	Repayments:	Subject to the exercise of conversion rights in clause 6, the Borrower will pay to the Lender the outstanding Loan plus accrued Interest in full on the Repayment Date.
<b>Item 8</b>	Repayment Date	The third anniversary of the date of this Agreement.

**Schedule 2 – To the EONX Loan Facility Agreement:**

**Conversion Notice**

**BETWEEN:** APN Ventures Pty Ltd (ACN 632 696 952) (“**Lender**”)

**AND:** EONX SERVICES PTY LTD, ACN 615 958 873 (“**Borrower**”)

**AND:** EONX TECHNOLOGIES INC. (“**Parent**”)

**TO: Eonx Technologies Inc**

NOTICE is given of the exercise by APN Ventures Pty Ltd. *or Lender’s related party* of its right to convert the sum of AUD \$....., (the “Conversion Sum”) being part *[or all]* of the outstanding Loan and accrued interest pursuant to the Eonx Loan Facility Agreement (“**Agreement**”) dated *[insert date]* executed by the Borrower and the Lender and Eonx Technologies Inc. The number of Shares to be issued and allotted is equal to the Conversion Sum divided by the Issuer Price as defined in the Agreement.

The Converted Shares should be allotted and issued to *[insert Lender or Lender’s related party]*

Terms defined in the Agreement shall have the same meaning when used in this Conversion Notice.

DATED:

Signed for and on behalf of

\_\_\_\_\_

Director/Secretary

\_\_\_\_\_

Print Name