

3 February 2020

Proposed Disposal of Mining Royalties, Cash Proceeds up to \$2.5m

Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to announce it has entered into a preliminary purchase and sale agreement to dispose of its entitlements to iron ore production royalties derived from the Koolyanobbing Iron Ore Project ("Koolyanobbing").

Koolyanobbing is currently being mined by Yilgarn Iron Pty Ltd, a subsidiary of Mineral Resources Limited. When ore has been mined and sold from tenement M77/1258, Vonex has been entitled to a 2% royalty calculated on a quarterly basis.

Vonex has agreed to a proposal from SilverStream SEZC, a Canadian mining-focused royalty and streaming company, to acquire the Koolyanobbing royalty.

Subject to entering into definitive purchase agreements and satisfaction of certain conditions, including Silverstream successfully completing a TSX listing with a minimum capital raise of \$3m USD and regulatory consent if applicable, Silverstream will purchase the royalty for total consideration of A\$2,500,000, tranching as follows:

- A\$1,750,000 payable in cash within 30 days of signing definitive purchase agreements or within seven days of SilverStream listing on the TSX or similar exchange, whichever is sooner
- A\$250,000 payable in cash upon three million dry metric tonnes of iron ore being produced and accounted for in royalty invoices from M77/1258
- A\$500,000 payable in cash upon five million dry metric tonnes of iron ore being produced and accounted for in royalty invoices from M77/1258

Vonex Managing Director, Matt Fahey, said:

"We are pleased to monetise the Company's mining royalty through this transaction with SilverStream. This will complete the disposal of assets outside our core business and will significantly strengthen the Company's balance sheet. As a pure-play telecommunications company with increasingly strong cash flow dynamics, we are excited by the scope this transaction provides to accelerate our growth in servicing the SME market."

SilverStream CEO, Kyle Floyd, said:

"SilverStream's acquisition of the Koolyanobbing royalty from Vonex represents our first in the iron ore space, and a continued diversification of our existing royalty and streaming portfolio. The Koolyanobbing asset is a large Western Australian iron ore deposit owned by a proven operator and quality counterparty. This acquisition significantly increases SilverStream's exposure to producing assets and adds to an exciting portfolio of royalties and streams."

About SilverStream:

SilverStream, dba Vox Royalty ("Vox"), is a mining-focused royalty and streaming company building a portfolio of royalties and streams across a diverse commodity base. Vox has a basket of royalties covering precious, base, battery & specialty metals and with this acquisition, industrial metals. Its portfolio consists of more than 20 royalties and streams globally, with both cash-flowing and longer-term growth-oriented assets.

Authority

This announcement has been authorised for release by Matt Fahey, Managing Director of Vonex Ltd.

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ABOUT VONEX:

Vonex is a full service, award-winning telecommunications service provider selling mobile, internet, traditional fixed lines, and hosted PBX and VoIP services - predominately to the small to medium enterprise ("SME") customer under the Vonex brand. The Company also provides wholesale customers, such as internet service providers, access to the core Vonex PBX and call termination services at wholesale rates via a white label model.

Vonex also develops new technologies in the telecommunications industry, including a feature-rich cloud-hosted PBX system. Vonex is also developing the Oper8tor App, a multi-platform real-time voice, messaging and social media app that allows users to connect with all social media friends, followers and contacts across different social medias, all consolidated into one app.