



**VONEX LIMITED
(ACN 063 074 635)**

**NOTICE OF GENERAL MEETING
and
EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

26 March 2020

10.00am WST

Level 8, 99 St Georges Tce, Perth WA 6000

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting, please complete and return the enclosed Proxy Form
in accordance with the specified instructions.

VONEX LIMITED
(ACN 063 074 635)

NOTICE IS HEREBY GIVEN that the General Meeting of Shareholders of Vonex Limited (ACN 063 074 635) ("**Company**") will be held at **Level 8, 99 St Georges Tce, Perth WA 6000 on 26 March 2020 at 10.00 am WST.**

An Explanatory Memorandum accompanies this Notice of Meeting to provide Shareholders with information to enable them to make an informed decision regarding the resolution set out in this Notice of Meeting. The Explanatory Memorandum is to be read in conjunction with this Notice of Meeting.

AGENDA

RESOLUTION TO BE VOTED ON BY ALL SHAREHOLDERS

Resolution 1 – Approval to dispose of the Koolyanobbing Royalty

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 11.4.1 (b) and for all other purposes, shareholders approve the disposal of all of the Company's entitlements to the Koolyanobbing Royalty on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion:

The entity will disregard any votes cast in favour of the resolution by SilverStream SEZC and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Sale is subject to Shareholder approval and will not proceed if Shareholders vote against Resolution 1.

DETERMINATION OF VOTING ENTITLEMENT

For the purpose of determining a person's entitlement to vote at the meeting, a person will be recognised as a Shareholder and holder of Shares if that person is registered as a holder of those Shares at 5.00pm. WST on 24 March 2020.

PROXIES

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company not less than 48 hours prior to commencement of the Meeting:

- a) Online: at www.investorvote.com.au
- b) Mobile: scan the QR Code on the enclosed Proxy Form and follow the prompts
- c) By mail: complete and sign the enclosed Proxy Form and return the form to:
Computershare Investor Services Pty Limited
GPO Box 242, Melbourne VIC 3001 Australia
- d) By Fax: complete and sign the enclosed Proxy Form and fax the form to:
If you are in Australia, 1800 783 447
If you are outside Australia, +61 3 9473 2555
- e) Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each Resolution by marking either "For" or "Against" or "Abstain" on the form of proxy for that item of business.

Subject to voting restrictions set out in the Voting Exclusion Statement, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

BY ORDER OF THE BOARD

Nicholas Ong
Chairman

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders and is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of Shareholders of Vonex Limited ("**Vonex**" or "**the Company**") ("**Notice of Meeting**") to be held at Level 8, 99 St Georges Tce, Perth WA 6000 on 26 March 2020 at 10.00am WST.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision whether or not to pass the Resolution in the accompanying Notice of Meeting.

1. Resolution 1 – Approval to dispose of the Koolyanobbing Royalty

1.1 Background

On 3 February 2020, the Company announced that it had 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 ("MinRes"). When ore has been mined and sold from tenement M77/1258, Vonex has been entitled to a 2% royalty calculated on a quarterly basis.

Pursuant to the Johnston Range Tenement Sale Agreement between Golden State Resources (as Vonex was then known) and Cliffs Asia Pacific Iron Ore Pty Ltd dated 29 April 2010, Cliffs made a royalty prepayment of \$3 million to Golden State Resources. Following listing of the Company in 2018 as Vonex Limited, the royalty has held nil value on the Company's balance sheet, as Vonex has focused on its award-winning telecommunications services.

On 8 July 2015, Aleator Energy Limited ("Aleator"), already listed on the ASX, entered into a binding Heads of Agreement with Vonex Wholesale Limited ("VWL") for the acquisition of 100% of the issued shares in VWL ("Acquisition"). At the time, VWL was a public unlisted company. Shareholders approved the Acquisition on 13 November 2015 on which date Aleator formally changed its name to Vonex Limited.

The operations of Vonex today (summarised below at section 1.6) is distinctly different to that of Aleator. Notably, the Company listed on the ASX in its own right in June 2018 having raised \$6 million under a prospectus.

The total royalty amount received by Vonex up to (and including) the December 2019 quarter was \$302,583, which has been offset against the prepaid royalty amount of \$3 million, leaving a pre-payment amount of \$2,275,802. What this means is that Vonex would still need to receive royalty credits of at least \$2,275,802 from MinRes before it becomes entitled to any cash flow. While Vonex is entitled to future royalties, the timing and quantum of any potential future royalty payments depend on a number of variables, including the future production and economic viability of mining activities at M77/1258.

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

1.2 Key terms of the Transaction

Subject to entering into definitive purchase agreements and satisfaction of certain conditions (set out below), 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

With respect to the information required by Guidance Note 13:

- Vonex is not aware of the number of securities SilverStream currently has on issue, the number of securities proposed to be issued in connection with its listing and the proposed issue price for those securities.
- The consideration of the Transaction is by way of cash settlement.
- Shareholders of Vonex who reside in Canada and may be eligible to participate, will not be granted a priority offer in SilverStream's IPO.
- Vonex is not aware of the timetable for the proposed timetable for completing the proposed listing.

The Transaction is subject to the following conditions:

- Delivery of documentation evidencing that, to the satisfaction of SilverStream in its sole discretion (acting reasonably), the Royalty will continue to bind the Tenements (as defined in the Johnson Range Agreement) if and whenever a mining operation is conducted on the Tenements producing iron ore bearing product, regardless of which company owns or operates on the Tenements.
- The Company is to use all reasonable efforts to identify and obtain, as soon as possible, any third-party consents or approvals that may be required, including consents of relevant regulatory authorities. The Company is not aware of any approvals, other than approval of the Company's shareholders (to be sought at the Meeting).
- Execution of transaction documents with the Company on customary terms and conditions for a transaction of this nature on or before March 31, 2020 (subject to one 60-day extension which either party may trigger in writing at its sole discretion).
- Formal approval of the transaction being granted by SilverStream's Board of Directors.
- SilverStream listing on the TSX or similar exchange, and completing a capital financing transaction of not less than US\$3,000,000 in connection therewith.
- Other customary conditions as may be required during detailed due diligence. To date, SilverStream has not advised on any other conditions or any issues arising from due diligence.

These conditions have been satisfied, or expected to be satisfied, at or about the date of the Meeting.

1.3 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.

1.4 Listing Rule 11.4

Listing Rule 11.4 provides that an entity must not:

- (a) dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to offer or issue securities with a view to becoming listed;
- (b) dispose of any of its securities in a child entity that directly or indirectly holds a major asset with a view to the child entity becoming listed; or
- (c) permit a child entity that directly or indirectly holds a major asset to offer or issue securities with a view to the child entity becoming listed.

Listing Rule 11.4.1 provides that rule 11.4 does not apply in either of the following cases.

(a) The securities, except those to be retained by the entity, are offered, issued or transferred pro rata to the holders of ordinary securities in the entity, or in another way that, in ASX's opinion, is fair in all the circumstances.

(b) The holders of ordinary securities in the entity approve of the transaction without the offer, issue or transfer referred to in rule 11.4.1(a) being made. The notice of meeting must include a voting exclusion statement.

Due to consideration being received by Vonex as part of the Transaction being up to A\$2.5 million, which is greater than 25% of the Company's consolidated total assets, per Guidance Note 13 the disposal of the Koolyanobbing royalty is deemed to be a disposal of a "Major Asset", and as it is being acquired by an entity proposing to list, is subject to Listing Rule 11.4. As the Company is receiving cash consideration for the disposal, the Company will not receive any securities for the disposal and listing Rule 11.4.1(a) does not apply. As such, the Company is seeking Shareholder approval under Listing Rule 11.4.1(b) for the purposes of Resolution 1.

If the resolution is passed, Vonex will be able to proceed with the Transaction, dispose of the royalty, and receive the benefits set out below in section 1.7.

If the resolution is not passed, Vonex will not be able to proceed with the Transaction and as such the consequences will be as set below out in section 1.8.

1.5 Impact of the disposal on the Company

Generally

As described above, the disposal of the Koolyanobbing Royalty will not result in any material change to the Company's main undertaking as Vonex is a full service, award-winning telecommunications service provider.

As the disposal of the Koolyanobbing Royalty is by way of cash consideration, there will be no impact on the Company's total consolidation equity interests.

Commercial Impact

The Company considers the financial impact of the Transaction to be positive. As at the date of this Notice of Meeting, Currently the value of the Koolyanobbing Royalty on the Company's balance sheet is nil, with a prepayment against the royalty of \$2,275,802 still remaining.

If the Transaction proceeds the disposal of the Koolyanobbing Royalty will be booked as revenue under profit and loss during the period. There will be no taxation implications to the Company's individual shareholders.

1.6 Future direction following the Transaction

The Company is 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.

There will be no change to the Company's business or operations following the Transaction.

1.7 Key benefits of the Transaction

The Company considers that the following non-exhaustive list is indicative of the strategic and commercial benefit the Transaction will have on the Company:

The royalty is a non-core asset of the Company and has retained a nil value in the Company's accounts since Vonex listed on the ASX in 2018 (including as at 30 June 2019, being the balance date of the last set of financial statements lodged with ASX);

- 1.5.1.1 The disposal of the royalty for up to \$2.5 million will provide the Company with additional working capital which will be used to fund the 2SG Wholesale business integration, and for general working capital purposes; and
- 1.5.1.2 The disposal of the royalty is the last remaining legacy associated with the Company's transaction with Aleator Energy in 2016.

1.8 Implications if the Transaction does not proceed

If the Transaction does not proceed, the Company will not receive the upfront consideration of \$1.75 million and the deferred consideration of up to \$750,000. As there is no cost to the Company in holding the royalty, the Company will not have the benefit of applying the proceeds of the Transaction to the Company's core business operations and for general working capital.

However, the Company will be entitled to potential future royalty payments from Mineral Resources Limited in the event that the \$3 million pre-paid royalty is completely offset.

1.9 Indicative Timetable

Vonex and SilverStream intend to enter into a Definitive Purchase Agreement in early March 2020. Silverstream anticipates listing on the TSX before the end of March 2020.

The timetable is currently indicative and is subject to change. The Company will announce the signing of Definitive Purchase Agreement and update the timetable in due course.

DATE	
Date of Notice of Meeting	24 February 2020
Meeting to approve Resolution 1	26 March 2020
Completion of Transaction	By 31 March 2020

1.10 No other material information

There is no other material information known to the Company's Directors which may reasonably be expected to affect Shareholders' decision making as to whether or not to vote in favour of Resolution 1 other than what is set out in these Meeting Materials and has been previously disclosed to Shareholders.

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.



always on

Vonex Limited
ABN 39 063 074 635

VN8

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (WST)**
Tuesday, 24 March 2020.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Vonex Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Vonex Limited to be held at Level 8, 99 St Georges Tce, Perth, Western Australia on Thursday, 26 March 2020 at 10:00am (WST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval to dispose of the Koolyanobbing Royalty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

VN 8

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Computershare

