

18 May 2020

Completion of sale of Koolyanobbing Royalty – Vonex banks A\$1.75m in proceeds

Telecommunications innovator Vonex Limited (“Vonex” or the “Company”) (ASX: VN8) is pleased to advise that it has received a cash inflow of A\$1.75 million, being the first tranche of consideration for the sale of its entitlements to iron ore production royalties (“Royalty”) derived from the Koolyanobbing Iron Ore Project.

This follows the successful completion of a CAD\$13.75 million fund raising by the purchaser of the Royalty, SilverStream SEZC (“Silverstream”), a Canadian mining-focused royalty and streaming company, for the purposes of SilverStream listing on the TSXV.

Following receipt of the initial cash consideration of A\$1.75 million, Vonex’s cash position is strengthened with circa \$3.5m cash at bank at time of release. Vonex is now significantly funded to continue the highly-successful marketing drive in collaboration with Qantas Business Rewards, and leverage off the recent integration of 2SG Wholesale into the Company’s operations.

The Company is entitled to additional consideration from the Royalty sale of up to A\$750,000, tranching according to the following milestones:

- A\$250,000 cash payable upon three million dry metric tonnes of iron ore being produced and accounted for in royalty invoices from M77/1258
- A\$500,000 cash payable upon five million dry metric tonnes of iron ore being produced and accounted for in royalty invoices from M77/1258

Matt Fahey, Managing Director said *“This is a milestone event for the Company, disposing of the last non-core asset for cash consideration of up to A\$2.5m. These proceeds put Vonex in a very good position, with the ability now to comfortably fund our organic growth of both our direct and recently expanded wholesale businesses following the completed purchase of 2SG Wholesale. We are thrilled for SilverStream and wish them the best of luck with their endeavours.”*

Authority

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

ENDS

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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.