



CONVERTIBLE LOAN AGREEMENT

**ONCONTRACTOR PTY LTD
(Borrower)**

and

**THE PARTY IDENTIFIED IN ITEM 1 OF SCHEDULE 1
(Lender)**

THIS AGREEMENT is made on 7th August 2020.

BETWEEN

ONCONTRACTOR PTY LTD (a company incorporated in Australia) of 198 Stirling Street, Perth, WA 6000 ACN 609 820 402 (**Borrower**);

AND

THE PARTY IDENTIFIED IN ITEM 1 OF SCHEDULE 1 (**Lender**).

RECITALS

- A. The Lender has agreed to provide the Loan to the Borrower.
- B. The Loan will be satisfied by the issue of Shares in the Borrower (or nominee) in accordance with the terms of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

New Convertible Loans means the convertible loans provided under this Agreement and other convertible loan agreements entered into by the Borrower on or about May 2020.

Agreement means the agreement constituted by this document and includes the recitals.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Change of Control Event means the sale of all or substantially all the assets of the Borrower; any merger, consolidation or acquisition of the Borrower with, by or into another corporation, entity or person; or any change in the ownership of more than fifty percent (50%) of the voting capital stock of the Borrower in one or more related transactions, but does not include a bonus issue, pro rata issue or reorganization (including share consolidation, sub-division, reduction or return). If any of the events under this definition occurs in relation to the Liquidity Event or as part of any financing transaction by the Borrower, it will not be deemed as Change of Control.

Draw Date means within three Business Days from the Execution Date or such other date as is agreed in writing by the Parties.

Event of Default means any of the events set out or referred to in this document as an Event of Default.

Execution Date means the date the last of the Parties executes this Agreement.

Issue Price means:

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- (a) in the event that the Liquidity Event occurs by way of initial public offer or a reverse takeover, a price equal to the lower of:
- (i) sixty percent (60%) of the price per Share of the Borrower or the Listed Entity (as applicable) offered under an equity capital raising (as detailed in the Prospectus) undertaken pursuant to an initial public offer or reverse takeover, as applicable; or
 - (ii) \$0.12 per share adjusted for any share splits or consolidation (equates to valuation of \$6,684,117 excluding any options, performance rights, New Convertible Loans and shares to be issued under the Prospectus);
- (b) in the event of a Private Placement Investment, a price equal to the lower of:
- (i) sixty percent (60%) of the price per share of the Borrower offered under the Private Placement Investment; or
 - (ii) \$0.12 per share adjusted for any share splits or consolidation (equates to valuation of \$6,684,117 excluding any options, performance rights, New Convertible Loans and shares to be issued under the Private Placement);
- (c) in the event of a Change of Control Event, a price equal to the lower of:
- (i) sixty percent (60%) of the price per share of the Borrower offered under the Change of Control Event; or
 - (ii) \$0.12 per share adjusted for any share splits or consolidation (equates to valuation of \$6,684,117 excluding any options, performance rights and New Convertible Loans); or
- (d) in the event that repayment is made on the Repayment Date other than as a result of (a) to (c) above, a price equal to \$0.12 per share adjusted for any share splits or consolidation (equates to valuation of \$6,684,117 excluding any options, performance rights and the New Convertible Loans).

Loan means the loan amount as specified in the Schedule, to be provided by the Lender to the Borrower on the Draw Date in accordance with this Agreement;

Liquidity Event means the date on which the last of the following occurs:

- (i) the ASX grants conditional listing approval for the Borrower or the Listed Entity (as the case may be) to be admitted to the official list of the ASX and for the Shares to be quoted on the ASX on terms reasonably acceptable to the Borrower or the Listed Entity (as the case may be); and
- (ii) the board of the Borrower or the Listed Entity (as the case may be) resolves to allot the Shares pursuant to the Prospectus.

Listed Entity means the proposed or existing parent company of the Borrower that lists or re-lists (as the case may be) on the ASX on the occurrence of a Liquidity Event.

Listing Rules means the listing rules of the ASX.

Obligations means all the liabilities of the Borrower to the Lender under or by reason of this Agreement and, without limiting the generality of the foregoing, includes any liabilities which:

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- a) are un-liquidated;
 - b) are present, prospective or contingent;
 - c) are in existence before or come into existence after the date hereof;
 - d) relate to the payment of money or the performance or omission of any act;
 - e) sound in damages only; or
 - f) accrue as a result of any Event of Default.

Outstanding Amount means the sum of the Loan or, where the context requires, the balance of the Loan plus interest which is outstanding and not otherwise repaid under clause 2.4(b).

Party means a party to this Agreement.

Preferred Shares means the most senior class of shares on issue in the capital of the Borrower.

Private Placement Investment means the completion of an equity investment by the Borrower which is not a Liquidity Event and which will occur within 24 months following the Draw Date, in which the Borrower will raise at least \$3,000,000.

Prospectus means the prospectus to be issued by the Borrower or the Listed Entity (as the case may be) under Chapter 6D of the *Corporations Act 2001* (Cth) in connection with the proposed listing of the Borrower or the Listed Entity (as the case may be) on the official list of the ASX and quotation of Shares of the Borrower or the Listed Entity (as the case may be) on the ASX (including any supplementary or replacement prospectus).

Repayment Date means the earlier of:

- (a) the date on which the Liquidity Event occurs;
- (b) the date on which the Private Placement Investment occurs;
- (c) the date on which the Change of Control Event occurs; or
- (d) the Termination Date.

Shares means fully paid ordinary shares.

Specified Rate means 8% per annum.

Termination Date means the earlier of:

- (a) 24 months from the Draw Date or any other date as is agreed in writing between the Lender and the Borrower; and
- (b) any date on which this Agreement is terminated or cancelled by the Lender in accordance with this Agreement.

1.2 Interpretation

In this Agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more Parties binds or benefits all of them jointly and each of them severally;
- (c) the expression 'person' includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) a reference to \$, A\$ or dollar is to the currency of the Commonwealth of Australia, unless otherwise specified; and

2. THE LOAN

2.1 Commitment

The Lender agrees to make the Loan available to the Borrower, subject to the terms of this Agreement and in reliance on the representations and warranties contained in it.

2.2 Advance

The Lender shall advance the Loan in full to the Borrower on the Draw Date.

2.3 Administration of Loan Funds

The Lender and the Borrower agree that the Loan will be advanced to a bank account controlled by the Borrower and the funds will be applied towards the costs of preparing for and undertaking an initial public offering or reverse takeover and the Borrower's working capital needs.

2.4 Interest

- (a) Other than as outlined in clauses 3.1(d)(ii), the Loan accrues interest at the Specified Rate from 1 January 2021.
- (b) The Lender may, at its election, choose to have repaid any outstanding interest in cash, with such repaid amount to be deducted from the Outstanding Amount.

3. CONVERSION AND REPAYMENT OF LOAN

3.1 Conversion or Repayment of Loan

On the Repayment Date, the Borrower shall:

- (a) **(Liquidity Event)**: if paragraph (a) of the definition of Repayment Date in clause 1.1 applies, issue, or procure the issue by the Listed Entity, of such number of Shares in the capital of the Borrower or the Listed Entity (as applicable) as is determined by dividing the Outstanding Amount by the relevant Issue Price (as determined in accordance with paragraph (a) of the definition of Issue Price in clause 1.1) in satisfaction of the Borrower's obligation to repay the Outstanding Amount;
- (b) **(Private Placement Investment)**: if paragraph (b) of the definition of Repayment Date in clause 1.1 applies, issue such number of Shares as is determined by dividing the Outstanding Amount by the relevant Issue Price (as determined in accordance with paragraph (b) of the definition of Issue Price in clause 1.1) in satisfaction of the Borrower's obligation to repay the Outstanding Amount;
- (c) **(Change of Control Event)**: if paragraph (c) of the definition of Repayment Date in clause 1.1 applies, issue such number of Shares as is determined by dividing the Outstanding Amount by the relevant Issue Price (as determined in accordance with paragraph (c) of the definition of Issue Price in clause 1.1) in satisfaction of the Borrower's obligation to repay the Outstanding Amount; or
- (d) **(event other than a Liquidity Event, Change of Control Event or Private Placement Investment)**: if paragraph (d) of the definition of Repayment Date in clause 1.1 applies, at the sole election of the Lender:
 - i. issue such number of Shares in the Borrower as is determined by dividing the Outstanding Amount by the relevant Issue Price (as determined in accordance with paragraph (d) of the definition of Issue Price in clause 1.1) in satisfaction of the Borrower's obligation to repay the Outstanding Amount; or
 - ii. repayment in cash of the Outstanding Amount plus interest accrued since the Draw Date at the Specified Rate within 14 days of the Termination Date.

3.2 Effect of Conversion

The issue of shares by the Borrower or the Listed Entity (as the case may be) on the Repayment Date in accordance with either clause 3.1(a) to 3.1(d)(i) will be deemed to have satisfied the Borrower's obligations to repay the Outstanding Amount.

3.3 Acknowledgement of Lender

For the avoidance of doubt, by execution of this Agreement, the Lender applies for shares in accordance with clause 3.1 and consents to being a member of the Borrower or the Listed Entity (as applicable).

4. REPRESENTATIONS AND WARRANTIES

4.1 General representations and warranties

The Borrower represents and warrants to the Lender that as at the date of this Agreement:

- (a) **(Legally binding obligation):** this Agreement constitutes valid and legally binding obligations in accordance with its terms;
- (b) **(Execution, delivery and performance):** the execution, delivery and performance of this Agreement does not violate any existing law or regulation or any document or agreement to which it is a party or which is binding on it or any of its assets;
- (c) **(Authorisation):** all material consents, licences, approvals and authorisations of every government authority required to be obtained by it in connection with the execution, delivery and performance of this Agreement have been obtained and are valid and subsisting; and
- (d) **(No default):** no event has occurred which constitutes an Event of Default and:
 - (i) the Borrower is not in breach in any material respect under any agreement binding on it; and
 - (ii) nothing has occurred which constitutes an event which causes or enables:
 - (A) the acceleration of any payment to be made under any agreement binding on the Borrower; or
 - (B) the enforcement, termination or rescission of any material agreement binding on the Borrower;
- (e) **(No litigation):** no litigation, arbitration, dispute or administrative proceeding has been commenced or is pending against the Borrower;
- (f) **(Not a trustee):** it is not a trustee of any trust or settlement; and

4.2 Mutual representations and warranties

The parties represent and warrant to the other party that:

- (a) **(Existence):** it is duly registered and remains in existence;
- (b) **(Corporate power):** it has the corporate power enter into this Agreement;;
- (c) **(No violation):** the execution, delivery and performance of this Agreement does not violate its Constitution or any law applying; and

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- (d) **(Due authority):** it has taken all corporate and other action required to enter into this Agreement and to authorise the execution and delivery of this Agreement and the satisfaction of its obligations under it.

4.3 Lender representations and warranties

The Lender represents and warrants as at the date of this Agreement and again at the Repayment Date, that the Lender:

- (a) is either:
- (i) validly incorporated, organised and subsisting in accordance with the laws of its jurisdiction; or
 - (ii) a natural person;
- (b) is either:
- (i) a "Sophisticated Investor" within the meaning of section 708(8) of the Corporations Act; or
 - (ii) a "Professional Investor" within the meaning of section 708(11) of the Corporations Act;
- (c) understands that it may be necessary to hold the Shares issued upon conversion of the Loan indefinitely and have:
- (i) the financial ability to bear the economic risk of the investment in the Shares;
 - (ii) adequate means to provide for its current needs and other contingencies and to withstand the loss of the entire investment in the Shares; and
 - (iii) no need for liquidity with respect to the investment in the Shares;
- (d) acknowledges that the Shares issued on conversion of the Loan may be subject to ASX imposed escrow requirements and undertakes to take whatever action is required to comply with the ASX escrow requirements, including signing and returning ASX escrow deeds (to the extent required) and providing consent to the Borrower to allow the Borrower to place holding locks over the Shares issued on conversion of the Loan in accordance with ASX escrow provisions;
- (e) in compliance with all relevant laws and regulations (including, without limitation, the requirements of the Australian Foreign Acquisitions and Takeovers Act 1975);
- (f) no disclosure document has been prepared in connection with the Loan;
- (g) aware that at the advance of the Loan and investment in the Shares involves a high degree of risk and has considered the risks associated with the Loan and the Shares in deciding whether to advance the Loan which may convert into Shares. The Lender acknowledges that it has had access to and have received all information that it believes is necessary or appropriate in connection with, and for an adequate time prior to, the advance of the Loan and the potential conversion of the Loan into Shares, so as to be able to make an informed investment decision with respect to the advance of the Loan and an investment in the Shares. The Lender acknowledges that it has made and relied upon its own assessment of the Borrower and has conducted its own investigation with respect to the Shares and the Borrower including, without limitation, the particular tax consequences of acquiring, owning or disposing of the Shares in light of its particular situation as well as any consequences arising under the laws of any other taxing jurisdiction;

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- (h) except to the extent that liability cannot be excluded, none of the Borrower or any of its related bodies corporate, and any directors, officers, employees and advisers of any of the Borrower and their respective related bodies accept any responsibility in relation to the Loan and its potential conversion into Shares;
 - (i) the Borrower and its affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. You agree to indemnify the Borrower and its related bodies corporate and any directors, officers, employees and advisers of any of the Borrower and their respective related bodies corporate, against any loss, damage or costs incurred and arising out of or in relation to any breach by you of the acknowledgements, representations, warranties and agreements; and
 - (j) upon conversion of the Loan, the Lenders agrees to be legally bound by the terms of this Agreement and the constitution of the Borrower.

5. DEFAULT

5.1 Events of Default

Upon an Event of Default, all Loans, interest on Loans and all other money the payment of which forms part of the Obligations shall become repayable in accordance with clause 3.1(d) except under 5.1(a) then in accordance with 3.1(d)(i) notwithstanding any previous delay or waiver by the Lender, if:

- (a) **failure to pay:** the Borrower fails to pay or repay any amount due by it under this Agreement within 60 days of the due date;
- (b) **non-remediable failure:** the Borrower fails to perform or observe any other material undertaking, obligation or agreement expressed or implied in this Agreement and that failure is not, in the reasonable opinion of the Lender, remediable;
- (c) **remediable failure:** the failure described in clause 5.1(b) is, in the reasonable opinion of the Lender, remediable, and the Borrower does not remedy the failure within 7 days, or a longer period determined by the Lender, after receipt by the Borrower of a notice from the Lender specifying the failure;
- (d) **authorisations:** the Borrower fails to obtain any authorisation necessary to enable it to comply with its obligations under this Agreement or any such authorisation ceases to be in full force and effect;
- (e) **misrepresentation:** any material warranty, representation or statement by the Borrower is or becomes false, misleading or incorrect in a material respect when made or regarded as made by the Borrower under this Agreement;
- (f) **judgment:** a judgment in an amount exceeding A\$500,000 is obtained against the Borrower and is not set aside or satisfied within 30 days;
- (g) **execution:** any distress, attachment, execution or other process of a governmental agency in an amount exceeding A\$500,000 is issued against, levied or enforced upon any of the assets of the Borrower and is not set aside or satisfied within 30 days;

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- (h) **receiver:** a receiver, receiver and manager, official manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertaking of the Borrower, other than trustee which will be holding options exercisable into the shares for the benefit of the Borrower employees;
 - (i) **insolvency:** the Borrower is or becomes unable to pay its debts when they are due;
 - (j) **arrangements:** the Borrower enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them otherwise than while solvent and with the prior written consent of the Lender;
 - (k) **administrator:** an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to the Borrower;
 - (l) **winding up:** an application or order is made for the winding-up or dissolution of the Borrower or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Borrower otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Lender;
 - (m) **suspends payment:** the Borrower suspends payment of its undisputed debts generally;

6. NOTICES

6.1 Requirements for Notice

Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed and prepaid mail, email or facsimile in each case addressed to the Party at its address set out in clause 6.2, or as the case may be to such other address as it may from time to time notify to the other Parties pursuant to clause 6.3.

6.2 Address of Parties

The initial address of the Parties shall be as follows:

In the case of the Borrower – the address specified in the introduction above.

In the case of the Lender - the address specified in the Schedule.

6.3 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 6.1 to the other Parties.

6.4 Receipt of Notice

Any notice given pursuant to clause 6.1 will be conclusively deemed to have been received:

- a) in the case of personal delivery, on the actual day of delivery if delivered prior to 5 pm (Perth time) on a Business Day or on the next following Business Day if delivered after 5 pm (Perth time) on a Business Day or on a day other than a Business Day;
- b) if sent by mail, on the seventh clear Business Day after the day of posting; or

c) sent by email or facsimile, on the day the facsimile was sent by clear transmission.

7. FURTHER ASSURANCE

Each Party shall sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other Party to effectively carry out and give effect to the terms and intentions of this Agreement.

8. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law from time to time in the State of Western Australia and the Parties agree to submit to the exclusive jurisdiction of the courts of Western Australia and the courts which hear appeals therefrom.

9. VARIATION

No modification or alteration of the terms of this Agreement shall be binding unless made in writing dated subsequent to the date of this Agreement and duly executed by the Parties.

10. COSTS

10.1 Duty

All duty assessed on or in respect of this Agreement shall be paid by the Borrower.

10.2 Legal Costs

Each party shall bear its own legal costs of and incidental to the preparation, negotiation and execution of this Agreement.

11. MISCELLANEOUS

11.1 Assignment

The Lender reserves the right to assign any and all rights or obligations under this document to a third party at any time under the same terms and conditions contained herein.

11.2 Severance

If any provision of this Agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

11.3 Entire Agreement

This Agreement shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

11.4 Counterparts

This Agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

11.5 Time

Time shall be of the essence in this Agreement in all respects.

EXECUTED by the Parties as an agreement.

**EXECUTED BY ONCONTRACTOR PTY LTD
(BORROWER)**

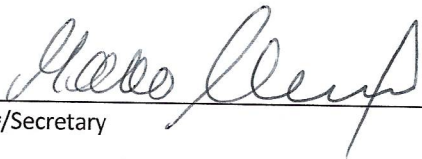
in accordance with its constituent documents and the laws in
its place of incorporation:

SIGNED BY:



Director

SIGNED BY:



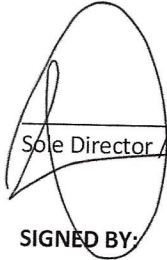
Director/Secretary

EXECUTED BY THE LENDER

Sign only A or B

A. For Company Lender:

SIGNED BY:


Sole Director / Director _____

SIGNED BY:

Daniel Abraham

Director / Company Secretary

B. For individual Lender:

SIGNED BY:

(Signature)

In the presence of:

Signature of Witness:

Full Name of Witness:

Address:

Occupation:

SCHEDULE 1

ITEM 1 – LENDER	
Name:	2115 Pty Ltd as trustee for Abraham Superfund
Address:	Level 24, Tower Three, 300 Barangaroo Ave, Sydney, NSW, 2000, Australia
Loan:	\$110,000.00