

INVESTMENT AGREEMENT

March 30, 2021

Axion Ventures Inc.
Grant Kim, Interim CEO
c/o Mr. Larry Yen
Boughton Law Corporation
700-595 Burrard Street
Vancouver, B.C.
Canada V7X 1S8

Subscription for Debentures

KUAM (Hong Kong) Investment 01 Ltd. (the “**Investor**”) proposes to purchase, and Axion Ventures Inc. (the “**Company**” or the “**Issuer**”, and collectively with the Investor, the “**Parties**” or individually a “**Party**”) proposes to sell, on a private placement basis completed in tranches (each a “**Tranche**”), over a twelve (12) month period commencing on the date hereof (subject to extension in writing by the Parties) (the “**Offering Period**”), unsecured convertible debentures of the Company in the form attached as Schedule "B" hereto (each a “**Debenture**” and collectively, the “**Debentures**”). The maximum aggregate principal amount of Debentures issuable by the Issuer during the Offering Period shall not exceed Twenty Million Canadian Dollars (CDN\$20,000,000) (the “**Offering**”).

Subject to the conditions set forth in this Agreement, in addition to an initial Tranche of CDN\$8,000,000 (all dollar values shall be in CDN henceforth, unless explicitly provided otherwise) (the “**Initial Tranche**”), the Investor agrees to subscribe for two (2) additional Tranches of Debentures in mutually agreeable principal amounts per Tranche over the Offering Period when requested by the Issuer. The Issuer may request that the Investor subscribe for a subsequent Tranche of Debentures thirty (30) days following the issuance of the first Tranche (each a “**Subsequent Tranche**” and, collectively, the “**Subsequent Tranches**”) and thirty (30) days following the issuance of each Subsequent Tranche, subject to the conditions set forth in this Agreement and waiver by the Investor. Except as provided for herein, the Company shall be under no obligation to request any Subsequent Tranche.

Interest on the Debentures shall be at a rate of 4% accrued per annum, paid annually in arrears.

When issued, each Debenture shall be convertible to Common Shares (as defined herein) in the Company at the Investor’s discretion until maturity at the conversion price that is equal to the higher of C\$0.20 per share or the Discounted Market Price (as such term is defined in the policies of the Exchange) (“**Conversion Price**”) at the time when such Debenture is issued for each Tranche.

Tranches

All Tranches shall be initiated upon the receipt by the Investor of a written notice (“**Draw-Down Notice**”) in the form attached hereto as Schedule "C" no sooner than thirty (30) days following the closing of the previous Tranche.

Upon receipt of a Draw-Down Notice, but subject to the Draw Conditions of each Tranche being satisfied in favour of the Investor, the Investor will, as soon as practicable and in no circumstances later than five (5) Business Days after receipt of the Draw-Down Notice either (i) accept and counter-sign the Draw-Down Notice and send it back to the Company; or (ii) reject the Draw-Down Notice, such rejection being provided on the basis that the amount is not acceptable or that one or more of the Draw Conditions below has not been satisfied and, if rejected, the Investor shall provide a detailed explanation of what amount will be acceptable and/or which Draw Condition is not satisfied and the Company shall be permitted to accept the revised amount and/or satisfy any such Draw Condition and resubmit a Draw-Down Notice within the term. If the Investor signs back the Draw-Down Notice and thereby accepting its terms, the Company shall immediately file an application for conditional acceptance of the Debenture and the potential issue of the related Common Shares with the Exchange (as defined herein) for each such Tranche, as may be required. If the Investor rejects two (2) Draw-Down Notices, the Company shall thereafter have no obligation to complete any additional Tranches and shall be permitted to terminate this Agreement pursuant to Section 6.

The Company shall provide the Investor and its counsel with a copy of the application for conditional acceptance made by the Company to the Exchange for each such Tranche, as well as a copy of the conditional acceptance provided by the Exchange.

In order for a Tranche to be initiated, the following conditions must be met (the “**Draw Conditions**”):

1. the applicable Draw-Down Notice has not been provided sooner than thirty (30) days following the Closing of a previous Tranche;
2. the Common Shares shall continue to be listed on the Exchange;
3. the Company shall deliver on closing of any Tranche, a certificate confirming the accuracy of all material representations and warranties contained in this Agreement, as if such material representations and warranties were provided as of the date of such Tranche, subject to changes to any such material representations and warranties as the Company determines are necessary as at such time;
4. the Company shall not be in breach of any covenant owing to the Investor under this Agreement; and
5. the Company shall provide a use of funds for the proceeds specified in the Draw Down Notice, and the Investor must agree to such use of funds. The Investor agrees to not unreasonably withhold such approval.

Documents Required for a Tranche

Assuming the conditions above in respect to a Tranche have been met as determined by the Investor, the parties agree to execute and/or provide the following documentation and deliverables:

1. a duly executed Subscription Agreement (substantially in the form of Schedule "A" attached hereto) in respect to the applicable Tranche;
2. on the Closing Date (as defined herein), the Company shall issue an original certificate representing the Debenture purchased in the form attached as Schedule "B" hereto (“**Debenture Certificate**”); and
3. on the Closing Date, the Investor shall deliver same day funds to the Company, by wire transfer, bank draft or certified funds in Canadian Dollars against delivery of the Debenture Certificate in relation to the applicable Tranche.

Compulsory Draw-Downs

Provided the Investor has completed the Initial Tranche, and subject to Section 6, the Issuer hereby grants to the Investor the right to purchase Debentures in two (2) Subsequent Tranches, with the value and the timing of each Subsequent Tranche to be determined jointly by the Parties, each acting reasonably.

Capitalized terms used but not defined above have the meanings ascribed to those terms in Section 1 of this Agreement.

1. Definitions

Where used in this Agreement, or in any amendment hereto, the following terms have the following meanings, respectively:

“**affiliate**” has the meaning ascribed to such term under Securities Laws;

“**Agreement**”, “**hereto**”, “**herein**”, “**hereby**”, “**hereunder**”, “**hereof**” and similar expressions refer to this investment agreement and not to any particular section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

“**Annual Financial Statements**” means the audited consolidated financial statements of the Company as at and for the years ended December 31, 2018, together with the notes thereto and the Auditors’ report thereon;

“**Anti-Money Laundering Laws**” means money laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority;

“**Auditors**” means KPMG LLP, the auditors for the Company;

“**Board**” means the board of director of the Company;

“**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in Vancouver, British Columbia are authorized by law to close;

“**Closing**” means completion of a Tranche consisting of the issue and sale by the Company of Debentures purchased by the Investor pursuant to a Subscription Agreement;

“**Closing Date**” means the date for a Closing, as agreed to by the Company and the Investor, each acting reasonably;

“**Closing Time**” means 8:00 a.m. (Vancouver time) on the Closing Date, or any other time on the Closing Date as may be agreed to by the Company and the Investor;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company’s Counsel**” means Boughton Law Corporation, Canadian legal counsel for the Company;

“**Confidential Information**” means all information relating to the Company, its affiliates and their respective business, affairs, financial position, assets, operations, activities, prospects and projects provided to the Investor and its affiliates, and their respective Representatives (as defined below), in connection with the entering into of this Agreement and the consummation of the transactions contemplated hereby, whether orally, visually, in writing or by any other means and whether or not it is identified as “**confidential**”, including, without limitation:

- (a) all reports, evaluations, forecasts, compilations, records, interpretations, notes, analyses and documents, concepts or data, trade secrets and any other documents or information pertaining in any way whatsoever to the Company or any of its affiliates; and
- (b) all reports, evaluations, forecasts, compilations, records, interpretations, notes, analyses and documents prepared by the Investor and its affiliates, and their respective Representatives, containing or based upon, in whole or in part, the information referred to in (a) above or reflecting any such Person's review of the Company or any of its affiliates or the transactions contemplated hereby; and

provided that Confidential Information will not include any information which:

- (c) is, or hereafter becomes, generally available to and known by the public (other than as a result of a disclosure directly or indirectly by the Investor or its affiliates, or any of their respective Representatives in breach of this Agreement);
- (d) is, or hereafter becomes, available on a non-confidential basis from a source other than the Company or any of its affiliates (provided that such source is not and was not, to the Investor's knowledge, bound by a confidentiality agreement with the Company or any of its affiliates to hold or retain such information on a confidential basis or is otherwise prohibited by a contractual, legal or fiduciary obligation from transmitting such portions of the Confidential Information to the Investor or any of its affiliates, or any of their respective Representatives;
- (e) as shown by documentary evidence, is in the lawful possession of the Investor or any of its affiliates, or any of their respective Representatives, prior to its disclosure hereunder or in connection herewith and is not subject to any obligation of confidentiality; or
- (f) as shown by documentary evidence, has been independently acquired or developed without violating any confidentiality obligations under this Agreement or otherwise;

"Debenture" or **"Debentures"** means the 4% unsecured convertible debentures to be issued in connection with this Agreement, each with a term of twelve (12) months, denominated in Canadian dollars, substantially in the form attached hereto as Schedule "B";

"Debenture Shares" means the Common Shares issuable upon conversion of the Debentures;

"distribution" means **"distribution"** or **"distribution to the public"**, which terms have the meanings attributed thereto under the Securities Laws or any of them;

"Exchange" means the TSX Venture Exchange or such other stock exchange in Canada on which the Common Shares are principally traded;

"Force Majeure Event" means, in respect of a Party, any occurrence of lightning, fire, storm, flood, earthquake, accumulation of snow or ice, explosion, declared war, act of terrorism, failure of public utilities, pestilence, quarantine, civic unrest, labour strike, walk-out, lock-out or unrest, temporary emergency assertion or requirement of any Governmental Authority, pandemic (including, for greater certainty, the existing COVID-19 pandemic), epidemic, destruction of facilities or trade embargos which are beyond the reasonable control of the Party acting (and having acted) in a commercially reasonable manner and which prevents the Party from performing any of its obligations under this Agreement. For the purposes of this Agreement, an event of Force Majeure experienced by an affiliate of a Party shall be deemed to be an event of Force Majeure experienced by such Party;

"Governmental Authority" means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other Law, regulation or rule-making entity (including, without limitation, any stock exchange, securities regulatory authority, central bank, fiscal or monetary authority or authority regulating banks), having jurisdiction in the relevant circumstances;

"IFRS" means International Financial Reporting Standards adopted by the International Accounting Standards Board;

"Insider" means a director or officer of the Company;

"Law" means any and all applicable laws, including all federal, provincial and local statutes, codes, ordinances, decrees, rules, treaties, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, or regulatory judgments, orders, directives, decisions, rulings or awards of any Governmental Authority, all having the force of law, binding on or affecting the Person referred to in the context in which the term is used;

“**Lien**” means any mortgage, lien (statutory or otherwise), pledge, charge, security interest or encumbrance upon or with respect to any property of any kind, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement;

“**Material Adverse Effect**” means any change (including a decision to implement such a change made by the Board or by senior management who believe that confirmation of the decision of the Board is probable), event, occurrence, violation, inaccuracy, circumstance, development or effect that is, individually or in the aggregate, or would reasonably be expected to be, individually or in the aggregate, materially adverse to the current and future business, assets (including intangible assets), capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of the Company and the Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business, except any such change, event, occurrence, violation, inaccuracy, circumstance, development or effect resulting from or arising in connection with:

- (a) any change, development or condition in or relating to global, national or regional political conditions or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in national or global financial, debt, commodities or capital markets;
- (b) any change, development or condition resulting from any act of terrorism or any outbreak of hostilities or declared or undeclared war or any escalation or worsening of the foregoing, the declaration by any Governmental Authority of a state of emergency or any natural disasters (including hurricanes, floods or earthquakes) or outbreaks of illness;
- (c) the occurrence of a Force Majeure Event;
- (d) any adoption, proposal, implementation or change in applicable generally accepted accounting principles; or
- (e) the announcement of this Agreement or the transactions contemplated herein.

provided, however, (i) that with respect to clauses (a), (b) and (f) above, such matter does not have a materially disproportionate effect on the Issuer and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries and businesses in which the Issuer and its Subsidiaries operates; and (ii) references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a “Material Adverse Effect” has occurred

“**material change**”, “**material fact**” and “**misrepresentation**” shall have the meanings ascribed to such terms under Securities Laws;

“**Material Subsidiary**” means any Subsidiary of the Company for which, as at December 31, 2019 (a) the total assets of such Subsidiary exceeded twenty five percent (25%) of the consolidated assets of the Company, and (b) the aggregate revenue of such Subsidiary exceeded twenty five percent (25%) of the consolidated revenue of the Company;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosures in Company’s Annual and Interim Filings*;

“**Offering Period**” means a twelve (12) month period commencing on the date of this Agreement (subject to extension in writing by the Parties);

“**Operative Documents**” means the Subscription Agreement in respect to a subscription for Debentures and each certificate representing the Debentures issued in connection with same;

“**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

“**Public Disclosure Documents**” means each of the Company’s: (i) annual audited financial statements for the year ended December 31, 2018 and 2017, as filed on SEDAR; and (ii) all news releases filed on SEDAR; and “**Public Disclosure Document**” means any one of them. For greater certainty, Public Disclosure Documents will also include any other material change reports (excluding confidential material change reports, if any), annual information forms, interim consolidated financial statements of the Company (including the related management’s discussion and analysis), annual audited consolidated financial statements of the Company (including the auditors’ report thereon and the related management’s discussion and analysis), business acquisition reports and information circulars which are filed by the Company with the Securities Commissions or similar authorities in each of the Provinces of Canada after the date of this Agreement and prior to the termination of this Offering;

“**Repayment Event**” means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company;

“**Reporting Jurisdictions**” means each of the provinces and territories of Canada in which the Issuer is a reporting issuer;

“**Securities Commissions**” means the securities commissions or similar securities regulatory authorities in the Reporting Jurisdictions;

“**Securities Laws**” means, collectively, all applicable securities laws in each of the Reporting Jurisdictions and the respective regulations, instruments and rules made under those securities laws, together with all applicable published policy statements, notices, blanket orders and rulings of the securities commissions or securities regulatory authorities of Canada and of each of the provinces and territories;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Subscription Agreements**” means, collectively, the agreements to subscribe for Debentures between the Company and the Investor substantially in the form attached hereto as Schedule "A"; and “**Subscription Agreement**” means any one of them;

“**Subsidiary**” means as to any Person, any corporation or other business entity in which such Person or one or more of its Subsidiaries owns, directly or indirectly, sufficient equity or voting interests to enable it or them (as a group) to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**to the knowledge of**” or similar references, in respect of the Company, means to the actual knowledge of Grant Kim after due enquiry, in his capacity as Interim Chief Executive Officer of the Issuer; and

“**Trading Day**” means any day except Saturdays, Sundays and statutory or civic holidays in the Province of British Columbia; and Company.

2. Representations and Warranties

Representations and Warranties by the Company. The Company on behalf of itself and its Material Subsidiaries (collectively, the “**Company**” for the purposes of this Section 2) represents and warrants to the Investor, as of the date hereof and as of the Closing Time, and acknowledges that the Investor is relying upon such representations and warranties in entering into this Agreement, and agrees with the Investor, as follows:

- (i) Eligibility and Compliance with Registration Requirements. The Company: (A) is a reporting issuer (within the meaning of Securities Laws) or the equivalent in the Reporting Jurisdictions.
- (ii) Material Contracts. All contracts and agreements material to the Company other than those entered into in the ordinary course of its business (collectively the “**Material Contracts**”) have been disclosed in the Public Disclosure Documents or any previously filed financial statements of the Company.
- (iii) Independent Accountants. At all relevant times the auditors who audited the Annual Financial Statements are and have been independent public accountants as required under Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Company and such auditors, nor has there been any event which has led in the Company's current auditors to threaten in writing to resign as auditors.
- (iv) Good Standing of the Company. The Company has been formed and is existing under the laws of the Company's jurisdiction of formation. No proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of the Company. The Company has the corporate power and capacity to own the assets owned by it and to carry on the business carried on by it, and the Company holds all licences and permits that are required for carrying on its business in the manner in which such business has been carried on and is duly qualified to carry on business in all jurisdiction it carries on business. The Company is conducting its business in compliance with all Laws of each jurisdiction in which its business is carried on and is in compliance with all terms and provisions of all contracts, agreements, indentures, leases, policies, instruments and licences that are material to the conduct of its business, in each case other than non-compliance, that would not, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect. All such contracts, agreements, indentures, leases, policies, instruments and licences are valid and binding in accordance with their terms and in full force and effect, and no material breach or default by the Company, or event which, with notice or lapse or both, could constitute a material breach or default by the Company, exists thereunder.
- (v) Authorization of the Company. The Company has all requisite corporate power and capacity to enter into this Agreement, and the other Operative Documents to which it is a party and to perform the transactions contemplated hereby and thereby.
- (vi) Taxes, etc. All material tax returns, reports, elections, remittances, filings and withholdings required by Law to have been filed or made by the Company have been filed or made (as the case may be). All taxes owing or otherwise required to be paid by the Company on or before the date of this Agreement have been paid on or before the date of this Agreement. The Company has been assessed for all applicable taxes to and including the year ended December 31, 2018 and has received all appropriate refunds. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment or payment of taxes, or the filing of any tax returns, with respect to the Company. The Company has charged, collected and remitted on a timely basis all taxes, as required under applicable Law.
- (vii) Consents. To the knowledge of the Company, no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or Governmental Authority or agency in Canada is necessary or required for the performance by the Company of its obligations hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained or as will be obtained prior to the Closing Time.
- (viii) Use of Proceeds. The proceeds from the issuance of the Debentures will be used for the expenses of this Offering and for general corporate purposes.

3. Investor Representations, Warranties and Covenants.

The Investor represents, warrants and covenants to and with the Company, and acknowledges that the Company is relying upon such representations, warranties and covenants in entering into this Agreement, as of the date hereof and as of the Closing Time, that:

- (i) the Investor represents and warrants that no commission or finder's fee will be paid by the Investor to any third party in connection with the Offering or any Tranche of Debentures issued pursuant thereto;
- (ii) the Investor has been formed and is existing under the laws of the Investor's jurisdiction of formation within Hong Kong and has the corporate power to enter into and perform its obligations under this Agreement;
- (iii) the execution and delivery of and performance by the Investor of this Agreement has been authorized by all necessary action on the part of the Investor;
- (iv) this Agreement has been duly executed and delivered by the Investor and constitutes a legal, valid and binding agreement of the Investor, enforceable against such Investor in accordance with its terms; and
- (v) the Investor has no knowledge of any Law or action or proceeding pending or threatened by any Person to prohibit or restrict the Offering or prevent the consummation of the Offering.

4. Closing.

- (a) Closing. The Closing will be completed at the Closing Time at the offices of Company's Counsel in Vancouver, British Columbia, or at such other place and time as the Investor and the Company agree upon, each acting reasonably. The documents described in "Documents Required for a Tranche" on page 2 of this Agreement shall be presented by the Company at Closing in a form satisfactory to the Investor.
- (b) Payment. At the Closing Time, and subject to the terms and conditions contained in this Agreement, the Company will issue and deliver to the Investor the Debenture Certificate, against payment by the Investor of the subscription proceeds.

5. Representations and Warranties to Survive.

All representations and warranties of the parties contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto shall survive for a period of twelve (12) months following the Closing Date of the final Tranche, regardless of (i) any investigation made by or on behalf of the Investor or the Company, as applicable, or their respective affiliates or selling agents, any person controlling an Investor, their respective officers or directors, or any person controlling the Company, and (ii) delivery of and payment for the Debentures.

6. Termination of Agreement.

This Agreement shall terminate upon:

- (a) the date on which this Agreement is terminated by the mutual written consent of the Parties;
- (b) the date on which this Agreement is terminated by written notice of the Company to the Investor as a result of the failure for any reason of any Tranches to be completed within the ninety (90) day period immediately prior to the date of such written notice;
- (c) the date on which this Agreement is terminated by written notice of the Investor to the Company as a result of:
 - (i) an Event of Default as defined in the Debentures; (ii) a breach by the Company of any material term of this Agreement that is within the direct control of the Company and such breach is not remedied to the reasonable satisfaction of the Investor within thirty (30) days following the date of receipt by the Company of written notice of such breach from the Investor; or

- (d) the date on which this Agreement is terminated by written notice of the Investor to the Company on the dissolution or bankruptcy of the Company or any of the Material Subsidiaries or the making by the Company or any of the Material Subsidiaries of an assignment under the provisions of the Bankruptcy and Insolvency Act (Canada) or the taking of any proceeding by or involving the Company or any of the Material Subsidiaries under the Companies Creditors' Arrangement Act (Canada) or any similar legislation of any jurisdiction.

7. Entire Agreement.

This Agreement and the various Schedules hereto, once executed, constitute the entire agreement between the Company and the Investor in connection with the transactions described herein and supersedes all prior understandings, negotiations and discussions, whether oral or written, in relation to the transactions described herein.

8. Notices.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Company and the Investor shall be directed as follows:

- (a) if to the Company:

Axion Ventures Inc.
c/o Boughton Law Corporation
700-595 Burrard Street
Vancouver, British Columbia

Attention: L.K. Larry Yen

- (b) if to the Investor:

KUAM (Hong Kong) Investment 01 Ltd.
2/F, Queen's Centre
60 Queen's Road East
Wanchai, Hong Kong

Attention: Mr. Yasuyo Yamazaki / Ms. Carmen Wong (Vongs)

9. Parties.

This Agreement shall inure to the benefit of and be binding upon the Investor and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Investor and the Company and their respective successors any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Investor and the Company and their respective successors and for the benefit of no other person, firm or corporation.

10. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

11. Force Majeure.

Neither Party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by an act of Force Majeure, provided that the non-performing

Party is without fault in causing such default or delay (each such event of Force Majeure meeting such qualifications being a “**Force Majeure Event**”). For any Force Majeure Event, the non-performing Party shall be excused from further performance or observance of the obligation(s) so affected for as long as such Force Majeure Event prevails and such Party continues to use its good faith commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any Party so delayed in its performance shall immediately notify the Party to whom performance is due in writing and describe in reasonable level of detail the circumstances causing such delay (a “**Force Majeure Event Notice**”). Promptly after receipt of a Force Majeure Event Notice, a representative of each Party shall meet (in person or by telephone) to discuss the Force Majeure Event and consider possible workarounds to the Force Majeure Event. In all cases, the Party claiming a Force Majeure Event shall make all reasonable efforts, including all reasonable expenditures, necessary to cure, mitigate or remedy the effects of the applicable Force Majeure Event.

12. Confidentiality.

Subject to Section 13: (a) the Parties agree to keep the terms of this Agreement in strict confidence to be disclosed only to such persons including officers, directors, employees or advisors of the respective Parties or prospective third parties on a “**need to know**” basis, and (b) the Investor acknowledges and agrees it has received, and will receive, Confidential Information about the Company and its Subsidiaries, and their respective business, assets and operations, and the Investor covenants that it shall keep all such Confidential Information confidential and not disclose it to any other Person other than to the directors, officers, employees and legal advisers of such Party (collectively, the “**Representatives**”), it being understood that in each case such disclosure shall only be made to those Persons who need to know such Confidential Information for the purpose of entering into this Agreement and consummating the transactions contemplated hereby.

13. Announcements and Press Releases.

- (a) In the event that any Parties wishes to make any press release or respond to press or other inquiries for information that, in any such case, relates to this Agreement or the transactions contemplated herein, then it shall provide the other Party with a draft thereof so that the other Party may review the proposed press release or inquiry response and advise the Party that proposes to make such release or provide such response of any comments that such other Party may have in respect thereto.
- (b) The obligations herein will not prevent any Party from making, after consultation with the other Party, such disclosure as its legal counsel advises is required by applicable Laws (including in order to comply with continuous disclosure or other requirements under applicable Securities Laws).
- (c) Notwithstanding anything else contained in this Agreement, each Party hereby consents to the reasonable disclosure by the other Party of the completion and nature of the transactions contemplated herein to Governmental Authorities, the security holders of the other Party and to any other Person in connection with any financing, offering, franchising, licensing, business combination or similar transaction proposed to be undertaken by the other Party, provided that in all cases where a Party proposes to make any disclosure of the completion, nature or terms of the transactions contemplated herein (whether with the consent of the other Party or in accordance with the foregoing exceptions to the requirement to obtain such consent), it will first advise the other Party of its intention to do so and it will use commercially reasonable efforts to enable the other Party to review and comment on such disclosure prior to the release thereof. The Investor acknowledges that the Company may be required, in accordance with applicable Securities Laws, to publicly disclose the transactions contemplated herein and to file a copy of this Agreement on SEDAR.

14. Time.

Time shall be of the essence of this Agreement. Except as otherwise set forth herein, specified times of day refer to Vancouver time.

15. Counterparts.

This Agreement may be executed in any number of counterparts (including by PDF/email), each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

16. Effect of Headings.

The Section headings herein are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Investor and the Company in accordance with its terms.

Yours very truly,

KUAM (Hong Kong) Investment 01 Limited.

By: /s/ Yasuyo Yamazaki
Name: Yasuyo Yamazaki
Title: Authorized Signatory

The foregoing accurately reflects the terms of the transaction that we are to enter into and such terms are agreed to.

ACCEPTED as of this 30th day of March, 2021.

AXION VENTURES INC.

By: /s/ Grant Kim
Name: Grant Kim
Title: Interim Chief Executive Officer

SCHEDULE "A"
Form of Subscription Agreement

SUBSCRIPTION FOR UNSECURED CONVERTIBLE DEBENTURES

TO: **Axion Ventures Inc. (the "Corporation")**

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase i) the principal amount of unsecured convertible debentures set forth below (the "**Debentures**"), the form of certificate evidencing such Debentures being attached as Schedule "B" to the Investment Agreement (the "**Investment Agreement**") dated March 30, 2021, between the Corporation and KUAM (Hong Kong) Investment 01 Ltd., for the aggregate subscription price ("**Aggregate Subscription Amount**") set forth below, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Unsecured Convertible Debentures of Axion Ventures Inc." attached hereto (together with this page and attached Schedules, the "**Subscription Agreement**"). **In addition to this face page, the Subscriber must also complete all applicable Schedules attached hereto.**

<u>KUAM (Hong Kong) Investment 01 Ltd.</u> Full Legal Name of Subscriber (please print) By: <u>/s/ Yasuyo Yamazaki</u> President, Yasuyo Yamazaki	Aggregate Subscription Amount: \$8,000,000.00 Principal Amount of Debenture: \$8,000,000.00 <u>(minimum \$1,000 increments)</u>
	<u>Disclosed Beneficial Purchaser Information:</u> If the Subscriber is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to applicable securities legislation, complete the following and ensure that the Schedules and Exhibits, as applicable, are completed in respect of such principal: _____ (Name of Principal) _____ (Principal's Address) _____ (Telephone Number) (E-mail Address)
<u>Register the Purchased Securities (if different from address given above) as follows:</u> _____ Name _____ Account reference, if applicable _____ Address (including postal code)	<u>Deliver the Purchased Securities (if different from address given above) as follows:</u> _____ Name _____ Account reference, if applicable _____ Address (including postal code) _____ (Telephone Number) (E-mail Address)

ACCEPTANCE: The Corporation, by countersigning this Subscription Agreement below, hereby accepts this subscription as set forth above upon and subject to the terms and conditions contained in this Subscription Agreement and the Corporation represents and warrants to the Subscriber that the representations, warranties and covenants made by the Corporation) are true and correct in all material respects as of the Closing Date (as defined herein) (save and except as waived by the Subscriber) and that the Subscriber is entitled to rely thereon, and on the conditions of Closing (as defined herein) such representations, warranties, covenants and conditions of Closing are incorporated herein by reference and form a part of this Subscription Agreement (see paragraph 2 of this Subscription Agreement).

AXION VENTURES INC.

March 30, 2021

Per: /s/ Grant Kim
Grant Kim, Interim CEO

No.: KUAM-001

SCHEDULE "B"
Form of Debenture Certificate

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY UNTIL [INSERT DATE].

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE]

THE CORPORATION SHALL NOT REGISTER ANY TRANSFERS OF THIS CONVERTIBLE DEBENTURE OR THE SECURITIES ISSUABLE UPON CONVERSION OF THIS CONVERTIBLE DEBENTURE IN CONNECTION WITH ANY TRANSFERS OR CONVERSIONS THAT ARE OTHERWISE NOT IN COMPLIANCE WITH APPLICABLE SECURITIES LAWS.

AXION VENTURES INC.
4% UNSECURED CONVERTIBLE DEBENTURE DUE
_____, 2022

DATE OF ISSUE: _____, 2021

PRINCIPAL AMOUNT:
CDN\$ _____ DEBENTURE

CERTIFICATE NUMBER: KUAM-001

AXION VENTURES INC., a corporation incorporated under the laws of British Columbia (the "**Borrower**" or the "**Corporation**"), for value received, hereby acknowledges itself indebted and promises to pay to or to the order of KUAM (Hong Kong) Investment 01 Ltd. (hereinafter referred to as the "**Lender**" or the "**Debentureholder**"), the principal amount of CAD\$ _____ dollars (\$ _____) (the "**Principal Amount**") in lawful money of Canada in the manner hereinafter provided at the foregoing address of the Lender, or at such other place or places as the Lender may designate by notice in writing to the Borrower, on _____, 2022 or such earlier date as the Principal Amount may become due and payable (the "**Maturity Date**"), and to pay interest to the Lender on the Principal Amount outstanding from time to time owing hereunder to the date of payment as hereinafter provided, both before and after maturity or demand, default and judgment.

The Debentureholder has the right, from time to time and at any time prior to 5:00 p.m. (Pacific time) on the earlier of: (i) the Business Day (as defined herein) immediately preceding the Maturity Date; and (ii) the Business Day prior to any repurchase of the Debenture in accordance with terms hereof, to convert all or (subject to the terms and conditions set forth below) any portion of the outstanding Principal Amount into Common Shares (as defined herein), at a price, with respect to the Principal Amount, equal to the Conversion Price (as defined herein), subject to adjustment in certain events, together with any accrued and unpaid interest owing thereon up to and including the date of conversion.

Unless the Principal Amount has otherwise been converted in accordance with the terms hereof, the Principal Amount owing, or the portion of the Principal Amount which has yet to be converted, together with any accrued and unpaid interest owing thereon and all other amounts now or hereafter payable

hereunder (collectively, the "**Obligations**") shall be due and payable on the Maturity Date in accordance with the terms hereof.

1. **Definitions and Interpretation**

1.1 **Definitions:**

As used herein, the following terms shall have the following respective meanings, unless the context otherwise requires:

"Business Day" means any day except Saturday, Sunday or any statutory holiday in the City of Vancouver, British Columbia, Canada.

"Common Shares" means fully-paid and non-assessable common shares in the capital of the Corporation as constituted on the date hereof, and after the date hereof any other shares, other securities, money or property which the Debentureholder is entitled to receive in respect or substitution thereof upon conversion of this Debenture pursuant to Section 5.

"Conversion Price" has the meaning ascribed thereto under Section 4.1.

"Corporation" means Axion Ventures Inc., a corporation incorporated under the laws of the Province of British Columbia and includes any successor to or of the Corporation which shall have complied with the provisions of Section 13.

"Debenture" means this unsecured convertible debenture as it may be amended, supplemented or restated from time to time.

"Debentureholder" shall have the meaning ascribed to such term in the introductory paragraph hereto.

"Encumbrance" means any mortgage, charge, pledge, hypothecation, lien, assignment, lease intended as security, conditional sale agreement or other title retention arrangement, security interest or other encumbrance of any nature creating in favour of any Person a right or interest in respect of real or personal property that is prior to the right of any other creditor or claimant in respect of such property;

"Event of Default" shall have the meaning ascribed to such term in Section 7.2.

"Exchange" means the TSX Venture Exchange.

"Exercise Date" means the date on which the a Conversion Notice is received by the Corporation for conversion in accordance with the terms and conditions in Section 5.

"Expiration Time" means 5:00 pm (Toronto time) on the Maturity Date.

"Indebtedness" means, at any time and from time to time, all of the Principal Amount, any accrued interest and any other amount owing pursuant to this Debenture, in each case which has not been paid to the Debentureholder by the Corporation.

"Investment Agreement" means the Investment Agreement dated March 30, 2021, between the Corporation and KUAM (Hong Kong) Investment 01 Ltd.

“**Maturity Date**” means _____, 2022 or such earlier date as the principal amount hereof may become due, subject to and in accordance with the terms, conditions and provisions hereof, subject to extension upon mutual agreement of the parties.

“**Person**” includes an individual, a trust, a partnership, a body corporate or politic, a syndicate, a joint venture, a company, an association and any other form of incorporated or unincorporated organization or entity.

“**Principal Amount**” has the meaning ascribed thereto in the introductory paragraph hereto.

“**Securities Laws**” means, collectively, the applicable securities laws of the relevant jurisdictions, the regulations, rules, rulings and orders made thereunder, the applicable policy statements issued by the securities regulators thereunder, the securities legislation and policies of each other relevant jurisdiction and the rules of the relevant stock exchange, in each case in effect from time to time.

“**Subsidiary**” means a business entity which is controlled, directly or indirectly by another business entity (as used herein “business entity” includes a corporation, company, partnership, limited partnership, trust or joint venture).

1.2 **Interpretation**

Words importing the singular only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations and vice versa.

1.3 **Headings**

The division of this Debenture into Articles and Sections and the use of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

1.4 **Time of Essence**

Time is of the essence of this Debenture.

1.5 **Currency**

Unless otherwise specified, all dollar amounts in this Debenture, including the symbol “\$”, refer to Canadian currency.

1.6 **Business Day**

If the date upon which any amount is payable by the Corporation, or upon which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such amount shall be payable or such other action shall be taken on or by the next succeeding Business Day.

2. **Payment**

- (a) Unless the Indebtedness is converted in accordance with this Debenture, the Corporation shall pay to the Debentureholder the Indebtedness on the Maturity Date.

- (b) Upon the Principal Amount and interest (including interest on amounts in default, if any) on this Debenture and all other money payable hereunder having been paid or satisfied, the Debentureholder shall, at the request of the Corporation, release and discharge this Debenture. Upon such request, the Debentureholder shall execute and deliver such instruments as it shall be advised by the Corporation's counsel are requisite to release the Corporation from its covenants herein contained.

3. **Interest**

- 3.1 The Principal Amount from time to time outstanding shall bear interest at a rate of 4% per annum, calculated and (subject to Section 3.2) payable in cash in arrears on the Maturity Date.
- 3.2 The Corporation may elect to pay the accrued interest in cash or, subject to any required regulatory approval (including any required approval of a relevant stock exchange), by issuing Common Shares at a price per Common Share equal to the Conversion Price. In the event that the Corporation elects to pay accrued interest in Common Shares, it shall register such Common Shares in the name and address of the Debentureholder set out on the face page of this Debenture and mail certificates or other evidence of the issuance such Common Shares to such address. Fractional Common Shares will not be issued on any interest payment and in lieu thereof the Corporation will round up to the next full Common Share if the fraction is 0.5 or greater, and will round down and issue no additional Common Share if the fraction is below 0.5.

4. **Conversion Price**

- 4.1 The conversion price ("**Conversion Price**") of the Debenture shall be equal to the higher of CAD\$0.20 per share or the Discounted Market Price (as such term is defined in the policies of the Exchange) at the time when the Debenture is issued.

5. **Conversion by the Debentureholder**

- 5.1 Subject to the provisions of this Debenture and any regulatory approval, the Debentureholder shall have the right, at the option of the Debentureholder at any time up to the close of business on the earlier of the third Business Day before the Maturity Date, to elect to convert a part or all of the Indebtedness then outstanding into Common Shares at the Conversion Price.
- 5.2 Fractional Common Shares will not be issued on any conversion and in lieu thereof the Corporation will round up to the next full Common Share if the fraction is 0.5 or greater, and will round down and issue no additional Common Share if the fraction is below 0.5.

If the Debentureholder desires to convert the Indebtedness it shall send to the Corporation prior to the date on which the Indebtedness is to be converted into Common Shares (the "**Exercise Date**") a notice, in the form of Schedule "A" (the "**Conversion Notice**"), of the conversion specifying the Exercise Date and the number of Common Shares to be issued upon conversion. On the Exercise Date, the Debentureholder shall be entered in the books of the Corporation as the holder of the number of Common Shares resulting from the conversion and shall be treated for all purposes (including the right to receive dividends) as the holder of record of such Common Shares which shall be deemed outstanding as fully paid and non-assessable.

- 5.3 If the Debentureholder sends a Conversion Notice, the Debentureholder must thereafter surrender this Debenture to the Corporation in exchange for Common Share certificates (the "**Share Certificates**") of Corporation in the name of Debentureholder evidencing the ownership of that number of Common Shares specified in the Conversion Notice. As soon as practicable after the surrender of this Debenture by the Debentureholder to the Corporation (but in no event prior to

the Exercise Date), the Corporation shall deliver or arrange for the delivery of the Share Certificates to the Debentureholder. In the event of the conversion of this Debenture in part, the Corporation shall, without charge, forthwith execute and deliver to the Debentureholder a new debenture in a principal amount equal to the unconverted part of this Debenture so surrendered in the same form as this Debenture, except as to Principal Amount.

- 5.4 If the Debentureholder fails to surrender this Debenture within five (5) days from the Exercise Date, the Share Certificates will be set aside in trust for the Debentureholder and such setting aside shall for all purposes be deemed to satisfy the Corporation's obligations to the Debentureholder pursuant to this Section 5 and the Debentureholder shall have no right, except upon surrender of this Debenture to the Corporation, to receive the Share Certificates.
- 5.5 If the Corporation fails to deliver the Share Certificates to the Debentureholder within ten (10) Business Days from the Exercise Date, the Corporation shall pay to the Debentureholder, in cash, an amount equal to 2% of the amount of Indebtedness being converted pursuant to the Conversion Notice for the applicable Exercise Date, which amount shall accrue daily until the Share Certificates have been delivered to the Debentureholder.

6. **Adjustment of Conversion Price**

6.1 **Reclassifications, Reorganizations, etc.**

In case of any amalgamation of the Corporation with, or merger of the Corporation into, any other corporation with the result that the Corporation ceases to exist in its present capacity, or in case of any sale, transfer or other disposition of all or substantially all of the assets of the Corporation, the successor corporation or holder of the corporation's assets as the case may be shall, and the Corporation shall cause such successor corporation or holder of the corporation's assets to, give notice in the manner specified in Section 17 to the Debentureholder. Such notice shall confirm that the Debentureholder shall have the right to convert the Debenture into the kind and amount of shares and other securities and property receivable upon such amalgamation, merger or sale by a holder of the number of Common Shares into which such Debenture might have been converted immediately prior to such event. Such notice shall confirm adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section.

6.2 **Certificates as to Adjustment**

The Corporation shall from time to time forthwith after the occurrence of any event which requires adjustment or readjustment as provided in Section 6, deliver to the Debentureholder, an officer's certificate specifying the nature of the event requiring the adjustment or readjustment and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

6.3 **Notice of Special Matters**

The Corporation covenants that so long as this Debenture remains outstanding, it will give notice to the Debentureholder at the address provided for in Section 17, of its intention to fix a record date or agreement date for any event which may give rise to an adjustment in the Conversion Price and, in each case, such notice shall specify the particulars of such event and the record date, the agreement date and the effective date for such event, provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 7 days in each case prior to such applicable record date. The Corporation shall not during the period of such notice close the transfer books for Common Shares so as to prevent the conversion of this

Debenture or fix a record date for voting so as to prevent the Common Shares resulting from a conversion of this Debenture from being voted. Nothing in this Section 6.3 shall in any manner derogate from or compromise the Debentureholder's rights to receive notice pursuant to any applicable laws.

7. **Covenants and Events of Default and Representations**

7.1 **Covenants** The Corporation covenants and agrees, on its own behalf and on behalf of each Subsidiary (where applicable) with the Debentureholder that, so long as this Debenture is outstanding and in force and except as otherwise permitted by the prior written consent of the Debentureholder:

- (a) *To Pay Principal and Interest:* The Corporation will duly and punctually pay or cause to be paid to the Debentureholder the principal of, premium (if any) and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures.
- (b) *Notice of Event of Default:* The Corporation shall forthwith notify the Debentureholder of the occurrence of any Event of Default or any event of which it is aware which with notice or lapse of time or both would constitute an Event of Default together with full details and any action proposed to be taken.
- (c) *Preservation of Existence, etc:* Subject to the express provisions hereof, the Corporation will carry on and conduct its activities, and cause its Subsidiaries to carry on and conduct their businesses, in a business-like manner and in accordance with good business practices; and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and rights.
- (d) *Keeping of Books:* The Corporation will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation and each Subsidiary in accordance with generally accepted accounting principles.
- (e) *Maintain Listing:* The Corporation will use reasonable commercial efforts to maintain the listing of the Common Shares on the Exchange, and to maintain the Corporation's status as a "reporting issuer" not in default of the requirements of the applicable Securities Laws.
- (f) *Withholding Matters:* All payments made by or on behalf of the Corporation under or with respect to the Debentures (including, without limitation, any penalties, interest and other liabilities related thereto) will be made free and clear of and without withholding, or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other liabilities related hereto) imposed or levied by or on behalf of the Government of Canada or the United States or elsewhere, or of any province or territory thereof or by any authority or agency therein or thereof having power to tax ("**Withholding Taxes**"), unless the Corporation is required by law or the interpretation or administration thereof, to withhold or deduct any amounts for, or on account of Withholding Taxes. If the Corporation is so required to withhold or deduct any amount for, or on account of, Withholding Taxes from any payment made under or with respect to the Debentures, the Corporation shall deduct and withhold such Withholding Taxes from any payment to be made or with respect to the Debentures and, provided that the Corporation forthwith remits such amount to the relevant governmental authority or agency, the amount of any

such deduction or withholding will be considered an amount paid in satisfaction of the Corporation's obligations under the Debentures. There is no obligation on the Corporation to gross-up or pay additional amounts to a holder of Debentures in respect of such deductions or withholdings. For greater certainty, if any amount is required to be deducted or withheld in respect of Withholding Taxes upon a conversion of a Debenture, the Corporation shall be entitled to liquidate such number of Common Shares (or other securities) issuable as a result of such conversion as shall be necessary in order to satisfy such requirement. The Corporation shall provide the Debentureholder with copies of receipts or other communications relating to the remittance of such withheld amount or the filing of any forms received from such government authority or agency promptly after receipt thereof.

7.2 **Events of Default** Unless waived in writing by the Debentureholder, any one or more of the following events shall constitute an Event of Default hereunder:

- (a) failure for 10 days to pay interest on the Debentures when due;
- (b) failure to pay principal (whether by way of payment of cash or delivery of Common Shares), when due on the Debentures;
- (c) default in the delivery, when due, of any Common Shares or other consideration, payable on conversion with respect to the Debentures, which default continues for 10 days;
- (d) default in the observance or performance of any covenant or condition of the Debenture by the Corporation and the failure to cure (or obtain a waiver for) such default for a period of 10 days after the default was discovered;
- (e) if a decree or order of a Court having jurisdiction is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation, or appointing a receiver of, or of any substantial part of, the property of the Corporation or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days;
- (f) if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Corporation, or any Subsidiary or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due; or
- (g) if, after the date of this Debenture, any proceedings with respect to the Corporation are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation generally, under the applicable legislation of any jurisdiction.

7.3 **Acceleration** Upon the occurrence of any one or more of the Events of Default, the Indebtedness outstanding at that time shall be accelerated, and shall become immediately due and payable at the option of the Debentureholder. Alternatively, upon the occurrence of any one or more of the Events of Default, the Debentureholder may, by giving written notice thereof to the Corporation, elect to convert, in whole or in part, the Indebtedness then outstanding in accordance with the terms hereof.

7.4 **Remedies Cumulative** The rights and remedies of the Debentureholder hereunder are cumulative and in addition to and not in substitution for any rights or remedies provided by law.

7.5 **Non-Merger** The taking of a judgment or judgments or any other action or dealing whatsoever by the Debentureholder in respect of any security given by the Corporation (if any) to the Debentureholder shall not operate as a merger of any indebtedness or liability of the Corporation to the Debentureholder or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Debentureholder may have in connection with such liabilities and the surrender, cancellation or any other dealings with any security for such liabilities shall not release or affect the liability of the Corporation hereunder or any security held by the Debentureholder. All Obligations shall survive the Maturity Date until all Obligations of the Corporation hereunder have been satisfied and discharged in accordance with this Debenture.

8. **Person Entitled to Payment**

8.1 The Debentureholder shall be entitled to payment of all amounts due hereunder free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate Debentureholder hereof and all persons may act accordingly and a transferee of this Debenture shall become the Debentureholder of this Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous Debentureholder hereof, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

9. **Supplement to Debenture**

9.1 From time to time the Corporation shall, when so directed by the Debentureholder, execute, acknowledge and deliver by its proper officers, deeds or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

- (a) making such provisions not inconsistent with this Debenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debenture which do not affect the substance thereof and which provisions and modifications will not, in the opinion of the Debentureholder's solicitor, be prejudicial to the interests of the Debentureholder;
- (b) evidencing the succession or the successive successions of other corporations to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Debenture; and
- (c) for any other purpose not inconsistent with the terms of this Debenture.

9.2 The Corporation may correct any typographical or other manifest errors in this Debenture, provided that in the opinion of the Debentureholder's solicitor such corrections will not prejudice the rights of the Debentureholder hereunder and may execute all such documents as may be necessary to correct such errors.

10. **Mutilation, Loss, Theft or Destruction**

10.1 In case this Debenture shall become mutilated or be lost, stolen or destroyed, the Corporation shall execute and deliver a new Debenture having the same date of issue upon surrender and cancellation of the mutilated Debenture, or in case this Debenture is lost, stolen or destroyed, in lieu of and in substitution for the same. In case of loss, theft or destruction the person applying for a substituted Debenture shall furnish to the Corporation such evidence of such loss, theft or

destruction as shall be satisfactory to the Corporation, shall furnish an indemnity satisfactory to the Corporation (but in any event in an amount not exceeding the principal amount outstanding) and shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

11. **Debentureholder Not a Shareholder**

- 11.1 This Debenture shall, in itself, not confer or be construed as conferring upon the Debentureholder any right or interest whatsoever as a shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend meetings of shareholders or any other proceedings of the Corporation, or the right to receive dividends and other distributions.

12. **Transfer of Debentures**

- 12.1 The Corporation shall maintain a register on which are recorded the names and addresses of each holder hereof. Subject to compliance with the terms of this Debenture and with applicable laws and regulations, a transfer shall be recorded by the Corporation in the register of holders hereof maintained by the Corporation, upon surrender of this Debenture with the Transfer Form in the form attached hereto as Schedule "B" duly completed by the Debentureholder or by its duly authorized attorney or representative, or accompanied by proper evidence of succession, assignment or other authority to transfer on behalf of the Debentureholder. Upon each transfer the Corporation shall cancel this Debenture and execute and deliver such replacement debenture as is required, in the form hereof.

- 12.2 *Restrictions on Transfers:* The Corporation shall not register any transfers of the Debenture or issue or transfer any Common Shares issuable on conversion of the Debenture:

- (a) to a United States person, any person in the United States or any person for the account or benefit of a United States person or a person in the United States except pursuant to Rule 144 under the United States Securities Act of 1993, as amended (the "**U.S. Securities Act**"), if available; and
- (b) in connection with any transfers or conversions which are otherwise not in compliance with (i) the U.S. Securities Act and the regulations thereunder if applicable, (ii) the *Securities Act* (British Columbia) and the rules and regulations thereunder, (iii) applicable securities laws and regulations of other relevant jurisdictions, or (iv) the policies of the Exchange

Notwithstanding anything to the contrary contained herein but subject to the terms of this Section 12, no assignment or transfer of any right or interest in this Debenture shall be permitted except in compliance with applicable Securities Laws and the transferee, assignee or Debentureholder as the case may be, furnishes to the Corporation such evidence as the Corporation may reasonably require in order to satisfy itself with respect to the foregoing. No prior written consent of the Corporation is required to permit the assignment or transfer of any right or interest in this Debenture by a Debentureholder to any affiliate of the Debentureholder or to any investment fund managed by the Debentureholder's manager or its affiliate provided the other conditions to such assignment or transfer as provided in this Section 12 are satisfied. Any purported assignment or transfer of any right or interest in this Debenture by a Debentureholder that is not in compliance with this Section 12 shall be null and void.

13. **Certain Requirements re: Successor Corporations**

- 13.1 The Corporation shall not, directly or indirectly, sell, lease, transfer or otherwise dispose of all or substantially all of its property and assets as an entirety to any other entity, and shall not

consolidate, amalgamate, reorganize or merge with or into any other corporation (any such other entity or corporation being herein referred to as a “**successor corporation**”) unless:

- (a) the Corporation has received express written consent for such transaction from the Debentureholder;
- (b) the successor corporation shall execute, prior to or contemporaneously with the consummation of any such transaction, such instruments as are reasonably necessary to evidence the assumption by the successor corporation of the due and punctual payment of the outstanding amount of this Debenture or the reservation and allotment for issuance of a sufficient number of shares to satisfy the conversion privilege and interest payment obligations hereunder and to observe and perform all the covenants and obligations of the Corporation under this Debenture and the Debt Conversion Agreement;
- (c) the successor corporation shall execute, prior to or contemporaneously with the consummation of any such transaction, such instruments as are reasonably necessary to evidence the assumption by the successor corporation of the due performance of all the covenants and obligations of the Corporation under the Security Agreements, in forms acceptable to the Debentureholder;
- (d) such transaction shall be upon such terms as to preserve and not to impair any of the rights or powers of the Debentureholder hereunder, under the Debt Conversion Agreement or any security pertaining hereto or thereto; and
- (e) immediately after giving effect to such transaction, no condition or event shall exist which constitutes an Event of Default, or may constitute an Event of Default after notice or lapse of time or both.

14. **Vesting of Powers in Successors**

- 14.1 Whenever the conditions of Section 13 have been fully observed and performed, the successor corporation shall possess and from time to time may exercise each and every right and power of the Corporation under this Debenture in the name of the Corporation or otherwise and any act or proceeding by any provision of this Debenture required to be done or performed by the Corporation or its officers may be done and performed with like force and effect by the successor corporation or its officers.

15. **Waiver**

- 15.1 No waiver on the part of the Debentureholder in exercising any right or privilege hereunder and no waiver as to any Event of Default hereunder shall operate as a waiver thereof unless made in writing and signed by the Debentureholder. No written waiver shall preclude the further or other exercise by the Debentureholder of any right, power or privilege hereunder, or extend to or apply to any further Event of Default.

16. **Further Assurances**

- 16.1 The Corporation shall from time to time forthwith on the Debentureholder's request do, make and execute all such further assignments, documents, acts, matters and things as may be required by the Debentureholder with respect to give effect to the matters contemplated in the Investment Agreement or any part thereof, including all matters contemplated in this Debenture.

17. **Notices**

- 17.1 Any notice or communication to be given hereunder may be effectively given by delivering the same at the addresses hereinafter set forth or by sending the same by email or prepaid registered mail to the parties at such addresses. Any notice so mailed shall be deemed to have been received on the fifth Business Day next following the mailing thereof provided the postal service is in operation during such time. Any email notice shall be deemed to have been received on the Business Day next following the date of transmission. The mailing and email addresses of the parties for the purposes hereof shall respectively be:

if to the Debentureholder: To the address set out on the face page, with a copy to

Attention: _____
Email: _____

if to the Corporation: Axion Ventures Inc.
c/o Boughton Law Corporation
700-595 Burrard Street
Vancouver, British Columbia

Attention: L.K. Larry Yen
Email: lyen@boughtonlaw.com

Either party may from time to time notify the other party hereto, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Agreement.

18. **Successors and Assigns**

- 18.1 This Debenture shall be binding upon and shall enure to the benefit of the Corporation and the Debentureholder and their respective successors and assigns, provided that neither party shall assign any of its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld.

19. **Governing Law and Submission to Jurisdiction**

- 19.1 This Debenture and all other documents delivered to the Debentureholder hereunder shall be construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each of the Corporation and the Debentureholder hereby agrees that any legal suit, action or proceeding arising out of or relating to this Debenture and all such other documents may be instituted in the courts of the Province of British Columbia only and the parties accept and irrevocably submit to the jurisdiction of the said courts, and acknowledge their competence and agree to be bound by any judgment thereof.

20. **Prohibition on Exercise of Conversion**

- 20.1 The Debentureholder agrees that, unless prior shareholders approval of the Corporation has been obtained, it shall be prohibited from exercising any portion of this Debenture if the aggregate number of Common Shares of the Corporation owned or controlled, directly or indirectly, by the Debentureholder and any affiliates of the Debentureholder (including common shares of which the Debentureholder has deemed beneficial ownership), collectively, as a result of such exercise

would create a new Control Person of the Corporation calculated on the date of exercise of the Debenture.

IN WITNESS WHEREOF, the Borrower has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this _____ day of _____, 2021.

AXION VENTURES INC.

Per:

Per:

Authorized Signatory

SCHEDULE "A" TO THE DEBENTURE

CONVERSION NOTICE

TO: AXION VENTURES INC.

Reference is made to the Convertible Debenture of Axion Ventures Inc. dated [●], 2021.

Any term not otherwise defined in this Notice shall have the meaning ascribed to it in the Debenture.

The undersigned Debentureholder of the Debenture hereby gives notice that it elects to convert certain Indebtedness for the undernoted number of Common Shares in accordance with the terms of the Debenture and as follows.

Amount of Indebtedness Being Converted: \$ _____

Common Shares to be Issued: _____

Effective Date: _____

The undersigned hereby directs that the shares are to be issued and delivered as follows:

Registration Instructions:

Delivery Instructions:

Dated this ____ day _____, 20____.

[DEBENTUREHOLDER]

Per: _____

Name:

Title:

(authorized signing officer)

Instructions for Conversion:

This conversion notice is to be signed by the Debentureholder.

The Debenture must be surrendered to the Corporation c/o Mr. Larry Yen, Boughton Law Corporation 700-595 Burrard Street Vancouver, B.C. Canada V7X 1S8.

Fractional Common Shares will not be issued on any conversion and in lieu thereof the Corporation will round up to the next full Common Share if the fraction is 0.5 or greater, and will round down and issue no additional Common Share if the fraction is below 0.5.

Upon surrender of the Debenture, the Corporation will issue to the Debentureholder the number of shares converted and shall deliver a certificate(s) or other evidence of such shares. The Corporation shall also deliver a new debenture in the event of a partial conversion.

If Common Shares are to be issued in the name of a person other than the Debentureholder, all requisite transfer taxes must be tendered by the Debentureholder.

SCHEDULE "B" TO THE DEBENTURE
TRANSFER FORM

TO: AXION VENTURES INC.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

Name

Address

Social Insurance Number, Social Security Number, or Tax Identification Number

\$_____ of the principal amount of Debenture registered in the name of the undersigned represented by the within certificate (which amount must be \$1,000 or an integral multiple thereof) and do hereby irrevocably constitute and appoint the Corporate Secretary of the Corporation attorney to transfer the said Debenture on the books of the Corporation with full power of substitution in the premises.

DATED this _____ day of _____.

Signature of Debentureholder

Signature of Debentureholder

Name of Debentureholder (Please Print)

* Authorized Signature Name and Title

SCHEDULE "C"
Form of Draw-Down Notice

To: KUAM (Hong Kong) Investment 01 Ltd. (the “Investor”)

Date: March 30, 2021

Re: Draw-Down Notice under Investment Agreement dated March 30, 2021, between the Investor and the undersigned (the “Investment Agreement”)

The undersigned, **Axion Ventures Inc.**, hereby requests that the Investor complete the funding of a Debenture in the principal amount of \$ 8,000,000.00 as contemplated by this Agreement.

Please confirm all conditions in your favour have been satisfied or waived in order to proceed to closing of such Tranche of Debentures – by signing the acknowledgement below.

Dated this 30th day of March, 2021.

AXION VENTURES INC.

By: /s/ Grant Kim
Authorized Signing Officer

The undersigned, **KUAM (Hong Kong) Investment 01 Ltd.**, confirms that all conditions have been met to its satisfaction and requests the Company proceed to seek TSX Venture Exchange approval (if required) for such proposed Tranche of Debentures in the amount of \$ 8,000,000.00.

Dated this 30th day of March, 2021.

**KUAM (HONG KONG)
INVESTMENT 01 LTD.**

By: /s/ Yasuyo Yamazaki
Authorized Signing Officer