

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDERS OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS FOUR (4) MONTHS AND A DAY AFTER THE DATE OF ISSUANCE OF THIS SECURITY.

THIS CONVERTIBLE DEBENTURE AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS CONVERTIBLE DEBENTURE HAVE NOT BEEN REGISTERED UNDER UNITED STATES FEDERAL OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, OR OTHERWISE TRANSFERRED OR ASSIGNED FOR VALUE, DIRECTLY OR INDIRECTLY, NOR MAY THIS CONVERTIBLE DEBENTURE OR THE SECURITIES ISSUABLE UPON CONVERSION OF THIS CONVERTIBLE DEBENTURE BE TRANSFERRED ON THE BOOKS OF THE CORPORATION, WITHOUT REGISTRATION OF SUCH CONVERTIBLE DEBENTURE OR SECURITIES, AS APPLICABLE, UNDER ALL APPLICABLE UNITED STATES FEDERAL OR STATE SECURITIES LAWS OR COMPLIANCE WITH AN APPLICABLE EXEMPTION THEREFROM, SUCH COMPLIANCE, AT THE OPTION OF THE CORPORATION, TO BE EVIDENCED BY AN OPINION OF COUNSEL FOR THE HOLDER, IN A FORM ACCEPTABLE TO THE CORPORATION, THAT NO VIOLATION OF SUCH REGISTRATION PROVISIONS WOULD RESULT FROM ANY PROPOSED TRANSFER OR ASSIGNMENT.

CONVERTIBLE DEBENTURE

US\$9,500,000

November 18, 2024

FOR VALUE RECEIVED PopReach Corporation (dba Ionik) (the “**Corporation**”), a corporation existing under the *Business Corporations Act* (Ontario), hereby acknowledges itself indebted to, and promises to pay to the Holders set forth on Schedule 1 attached hereto (each individually, a “**Holder**” and collectively, the “**Holders**”), in lawful money of the United States, the principal amount of \$9,500,000 (the “**Principal Amount**”), allocated in accordance with each Holder’s Pro Rata Entitlement as set forth on Schedule 1 attached hereto, and in accordance with the terms of this Convertible Debenture (this “**Debenture**”).

This Debenture is being issued by the Corporation to the Holders pursuant to the terms of a Share Purchase Agreement entered into among the Corporation, Rise4 Inc., an Ontario corporation (“**Rise4**”), the Holders and David Cummings, the representative of the Holders (the “**Vendors’ Representative**”), dated as of the Effective Date (the “**Purchase Agreement**”), as partial consideration for the purchase by the Corporation from the Holders of all the issued and outstanding shares in capital of Rise4 pursuant to the Purchase Agreement.

Capitalized terms not otherwise defined herein shall have the meaning attributed thereto in the Purchase Agreement.

1. **Interpretation**

Whenever used in this Debenture, the following words and terms have the meanings set out below:

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any other day on which Canadian chartered banks are required or authorized to close in Toronto, Ontario.

“**Collateral**” shall mean the “Collateral” as defined in the General Security Agreement.

“**Common Shares**” means the common shares in the capital of the Corporation.

“**Conversion Price**” means \$0.78.

“**Effective Date**” means the date hereof.

“**Event of Default**” has the meaning given in Section 10 of this Debenture.

“**General Security Agreement**” means the general security agreement to be executed by Rise4 in favour of the Holders as collateral security for Rise4’s obligations pursuant to the Guarantee.

“**Guarantee**” means the guarantee of the Corporation’s obligations pursuant to this Debenture to be executed by Rise4 in favour of the Holders.

“**Governmental Authority**” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals, or dispute settlement panels or other law, rule or regulation-making organizations or entities:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state, or other geographic or political subdivision of any of them; or
- (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“**Obligations**” means, at any time, the outstanding Principal Amount of this Debenture.

“**Parent Senior Lender**” means the Bank of Montreal, in its capacity as administrative agent for certain secured parties in connection with the credit agreement among, *inter alios*, the Bank of Montreal, as administrative agent, and the Corporation, as borrower, as such agreement may be amended, amended and restated or supplemented from time to time.

“**Person**” means any individual, sole proprietorship, partnership, firm, company, entity, unincorporated association (including a limited liability company), unincorporated syndicate, unincorporated organization, trust (including a business trust), body corporate, government, government regulatory authority, governmental department, municipality, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires, any of them when they are acting as trustee, executor, administrator or other legal representative.

“**Pro Rata Entitlement**” means with respect to each Holder, the quotient obtained by dividing (a) the portion of the Principal Amount allocated to each Holder on Schedule 1 attached hereto by (b) the total Principal Amount. For greater certainty, the Pro Rata Entitlement of each Holder is the number allocated to such Holder on Schedule 1 attached hereto.

“**Security Documents**” means the Guarantee and the General Security Agreement.

2. **Maturity**

Unless earlier demanded as provided in Section 10 or converted as provided in Section 5, repayment of the Obligations will be made to the Holders, based on their Pro Rata Entitlement, on November 30, 2026 (the “**Maturity Date**”).

3. **Payments**

- (a) All payments made hereunder shall be made in lawful money of the United States at such place as the Holders may from time to time designate in writing to the Corporation.
- (b) Upon payment in full of all of the Obligations in accordance with this Debenture, this Debenture shall be surrendered to the Corporation for cancellation.
- (c) The Corporation waives presentment, protest, presentation, or notice of any kind of the Debenture and any other condition precedent to payment to the Holders.

4. **Prepayment**

The Corporation will be entitled to prepay the Principal Amount, in whole or in part, at any time prior to the Maturity Date (“**Prepayment**”), without any notice being given to the Holders and without any bonus or penalty being paid to the Holders, provided that (i) any such Prepayment shall be made to the Holders based on their Pro Rata Entitlement, and (ii) in the case of any Prepayment intended to be made the Corporation shall provide the Holders with a reasonable opportunity to exercise their conversion right set forth in Section 5 hereof prior to the Prepayment, which reasonable opportunity shall be deemed to mean the delivery of written notice by the Corporation to the Holders within no less than 10 Business Days’ prior to such Prepayment.

5. **Optional Conversion**

A Holder (“**Converting Holder**”) may, at any time following the Effective Date, convert all or a portion of the Obligations owing to such Converting Holder hereunder into Common Shares based on the Conversion Price, by delivering a notice in writing to the Corporation, substantially in the form of the notice set forth in Exhibit “A” attached hereto (the “**Conversion Notice**”). Any Obligations so converted shall be deemed to have been converted on the date that is five (5) Business Days following the date the Corporation receives the Conversion Notice (the “**Conversion Date**”).

6. **Effect of Conversion**

- (a) Upon conversion of the Obligations, the Corporation shall issue to the Converting Holder the Common Shares to which it is entitled to receive in connection with the conversion.
- (b) The Converting Holder shall become a shareholder of the Corporation in respect of the Common Shares so issued with effect from the Conversion Date and shall be

entitled to delivery of certificates evidencing such Common Shares. As soon as reasonably practicable following the Conversion Date, the Corporation shall cause such certificates to be delivered to the Converting Holder at the address specified in Schedule 1 (or such other address as may be specified by the Converting Holder to the Corporation in the Conversion Notice), and in any event within three (3) Business Days of the Conversion Date.

- (c) All Common Shares which may be issued upon the conversion of the Obligations shall upon issuance be validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.
- (d) The Corporation shall not be required upon the occurrence of any conversion to issue fractional Common Shares and, in any such case, the number of Common Shares issuable upon the conversion of the Obligations shall be rounded down to the nearest whole number, without payment or compensation in lieu thereof.
- (e) Upon conversion of the Obligations, this Debenture shall be deemed to be paid in full and the Obligations shall be deemed satisfied.

7. **Adjustments**

If while the Obligations remain outstanding pursuant to this Debenture:

- (a) the Corporation at any time subdivides or consolidates the shares issuable upon conversion of this Debenture, each Holder shall thereafter be entitled on conversion to receive the shares to which it was before such subdivision or consolidation entitled, as subdivided or consolidated, and the Conversion Price shall be adjusted accordingly. Any such adjustment shall become effective on the date and at the time that such subdivision or consolidation becomes effective.
- (b) any reclassification of the shares issuable upon conversion of this Debenture occurs, or a consolidation, amalgamation, arrangement or merger of the Corporation with any other body corporate, trust, partnership or other entity or a sale or conveyance of the property and assets of Corporation as an entirety or substantially as an entirety (provided adjustment to the Conversion Price is made pursuant to Section 7(a) hereof, if applicable) occurs (collectively, a “**Capital Reorganization**”), then upon conversion of this Debenture in accordance with its terms, each Holder shall be entitled to receive and shall accept, in lieu of the Common Shares issuable upon conversion of this Debenture, the kind and number of securities or property that such Holder would have been entitled to receive if on the record date or effective date of the Capital Reorganization, such Holder had been the registered holder of the number of Common Shares issuable upon the conversion of this Debenture.
- (c) When any adjustment is required to be made pursuant to this Section 7, the Corporation shall promptly deliver, or cause to be delivered, to the Vendors’ Representative, on behalf of the Holders, a notice setting forth, as applicable (i) a brief statement of the facts requiring such adjustment, (ii) the Conversion Price

after such adjustment, and (iii) the kind and amount of share or other securities into which this Debenture shall be converted after such adjustment.

8. **Security**

- (a) The due and timely payment and performance and discharge of this Debenture by the Corporation and the obligations of Rise4 under the Guarantee shall be secured by the Collateral. In the event of an Event of Default, the Holders' recourse against collateral shall be solely limited to realizing upon the Collateral and exercising its rights and remedies under the Security Documents.
- (b) Each Holder hereby agrees to execute and deliver a postponement and subordination agreement in respect of the subordination and postponement of the Obligations and the Collateral to and in favour of the Parent Senior Lender, in a form required by such Parent Senior Lender.
- (c) Each Holder hereby irrevocably authorizes and appoints any director or officer of Corporation as its true and lawful attorney, with full power of substitution for and in the name of such Holder, to sign and seal all documents and to fill in all blanks and to execute, deliver and do all such acts, deeds, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, and any additional powers of attorney necessary to give effect to such Holder's obligations pursuant to Section 8(b) above and generally to use the name of such Holder in connection therewith. This appointment shall be coupled with an interest and shall not be revoked by the insolvency or bankruptcy of such Holder.

9. **Transfer of Debenture**

The Holders shall not sell, transfer or otherwise dispose of or encumber this Debenture without the consent of the Corporation.

10. **Events of Default**

The Obligations shall, at the option of the Holders holding not less than a majority of the then outstanding Principal Amount owing, in the aggregate, under this Debenture acting jointly, or the Vendors' Representative acting on behalf of such Holders, be immediately due and payable upon the occurrence of any of the following events of default (each, an "**Event of Default**"):

- (a) **Performance of Obligations** – The Corporation defaults in payment or performance of any of the Obligations, including, without limitation, conversion of the Obligations in accordance with this Debenture;
- (b) **Covenant Default** – The Corporation commits a breach of, or fails or neglects to observe, perform or comply with any obligation (other than as contemplated by Section 10(a) above), covenant, representation, warranty or any other provision in favour of the Holders set out herein, and such breach is not remedied within 10 days' notice to the Corporation;
- (c) **Event of Insolvency** – The occurrence of any one of the following events:

- (i) **Dissolution** – The Corporation is wound up, dissolved or liquidated under any law or otherwise has its existence terminated or passes any resolution or becomes subject to any order in connection with any of the above, including under the provisions of the *Winding-Up and Restructuring Act* (Canada) or any similar law of any jurisdiction;
- (ii) **Insolvency** – The Corporation makes a general assignment for the benefit of its creditors, acknowledges its insolvency or is declared or becomes bankrupt or insolvent, or ceases to carry on or fails in its business;
- (iii) **Act of Bankruptcy** – The Corporation commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or any similar law of any jurisdiction;
- (iv) **Bankruptcy Proposal** – Any filing of a proposal or notice of intention to make a proposal is made or a notice of intention to enforce security is issued in respect of the Corporation under the *Bankruptcy and Insolvency Act* (Canada) or any similar law of any jurisdiction;
- (v) **Protection from Creditors** – Any filing is made or a proceeding is commenced in respect of the Corporation (whether voluntary or involuntary) seeking any stay of proceedings, protection from creditors, moratorium, reorganization, arrangement, composition, re-adjustment, or any other relief under any present or future law of any jurisdiction relative to bankruptcy, insolvency, reorganization or other relief for debtors or affecting creditors' rights, including the *Companies' Creditors Arrangement Act* (Canada);
- (vi) **Appointment of Trustee or Receiver** – Any trustee in bankruptcy, interim receiver, receiver, receiver and manager, agent, custodian, sequestrator, administrator, monitor or liquidator or any other Person with similar powers shall be appointed in respect of the Corporation, or all or any part of the secured property of the Corporation, or any filing is made or proceeding is commenced in respect of any obligor seeking the entry of an order for the appointment or relief in respect of any of the above and such appointment or filing or proceeding is not contested in good faith and on a timely basis and vacated, dismissed or withdrawn within 10 days of its commencement or issuance; or
- (vii) **Seizure** – A distress, execution, warrant, garnishment, attachment, sequestration, levy, writ, or any similar process is issued or enforced upon or against all or any part of the secured property of the Corporation, or any third party demand is issued by the Crown, Governmental Authority, administrative body or any taxation authority in respect of the Corporation or all or any part of the secured property of the Corporation, or any other seizure is made in respect of all or any part of the secured property of the Corporation.

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

This Debenture and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Corporation and, by its acceptance hereof, each Holder hereby attorns and submits to the exclusive jurisdiction of the courts of the Province of Ontario in connection with this Debenture. The parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

12. **Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by delivery as hereinafter provided. Any such notice or other communication, if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or, if delivered by hand, shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. Notice and other communications shall be addressed as follows:

- (a) To the Corporation at:

PopReach Corporation (dba Ionik)
1 University Avenue, 3rd Floor
Toronto, Ontario M5J 2P1

Attention: Amy Hastings, General Counsel
Email: ahastings@ionikgroup.com

- (b) To the Holders, to the address set forth opposite its name in Schedule 1 attached hereto, with a copy to:

David Cummings
[REDACTED]

With a Copy to:
Sarah de Diego
[REDACTED]

13. **Waiver**

No failure or delay on the part of the Holders in exercising any right, power or remedy provided herein may be, or may be deemed to be a waiver thereof; nor any single or partial exercise of any

right, power or remedy preclude any other or further exercise of such right power or remedy or any other right, power or remedy.

14. **Severability**

If any provision (or any part of any provision) contained in this Debenture shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or remaining part of the affected provision) of the Debenture, but the Debenture shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein but only to the extent such provision (or part thereof) is invalid, illegal or unenforceable.

15. **Amendment**

This Debenture may be amended only with the written agreement of the Corporation and the Holders holding a majority of the then outstanding Obligations, provided that no such amendment shall adversely impact the rights of any Holder disproportionately as compared to the rights of other Holders without such Holder's written consent.

16. **Enurement**

The rights and obligations of the Corporation and the Holders under this Debenture shall be binding upon and enure, as applicable, to their respective successors, heirs, executors, trustees, administrators and permitted assigns.

17. **Currency**

Unless indicated otherwise, all references to money amounts in this Debenture are to lawful currency of the United States.

18. **Execution and Delivery**

This Debenture may be executed by the Corporation and the Holders in counterparts and may be executed and delivered by facsimile or electronic means and all such counterparts and facsimiles together constitute one and the same agreement.

19. **Release and Discharge**

This Debenture shall no longer be considered outstanding and the Corporation shall be deemed to have discharged all of its obligations under this Debenture upon the: (a) payment of the entire Obligations outstanding under the terms of this Debenture; or (b) full conversion in accordance with Section 5 hereof.

20. **Further Assurances**

The Corporation shall promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such further acts, documents and things as the Holders, or the Vendors' Representative, acting on behalf of the Holders, may reasonably require from time to time for the purpose of giving effect to this Debenture and shall use reasonable efforts and take all such steps

as may be reasonably within its power to implement to their full extent the provisions of this Debenture.

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IN WITNESS WHEREOF the Corporation has caused this Debenture to be signed in its name as of the Effective Date.

POPREACH CORPORATION (dba Ionik)

By:



Name: Ted Hastings

Title: CEO

ACCEPTED AND AGREED as of this 18th day of November, 2024.

HOLDERS:



Timothy Nye



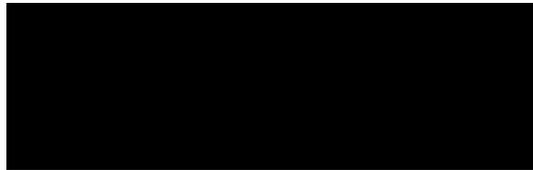
David Cummings



Sarah Corrado

GRAPE VINE TRUST

By: Grape Vine Advisors, LLC, as Trustee



BANOVO BRDO TRUST

By: Banovo Brdo Management, LLC, as Trustee



SCHEDULE 1

Holder	Principal Amount	Pro Rata Entitlement	Address for Notice
Timothy Nye	[REDACTED]	[REDACTED]	[REDACTED]
David Cummings	[REDACTED]	[REDACTED]	[REDACTED]
Sarah Corrado	[REDACTED]	[REDACTED]	[REDACTED]
Grape Vine Trust	[REDACTED]	[REDACTED]	[REDACTED]
Banovo Brdo Trust	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL	\$9,500,000	100%	-

EXHIBIT “A”

FORM OF CONVERSION NOTICE

TO: PopReach Corporation (dba Ionik) (the “**Corporation**”)

The undersigned, a registered holder of the Convertible Debenture issued by the Corporation to the undersigned on _____, 2024 (the “**Debenture**”), hereby irrevocably elects to convert \$ _____ owing under the Debenture into [_____ **Common Shares**] (the “**Conversion Shares**”) of the Corporation in accordance with the terms of the Debenture.

[The undersigned hereby confirms it is a U.S. Person and is purchasing the Conversion Shares as a U.S. Accredited Investor, and, upon reasonable request of the Corporation, the undersigned shall provide to the Corporation a written certificate in a form satisfactory to the Corporation, acting reasonably, confirming such status. “**U.S. Person**” means a U.S. Person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act. “**U.S. Accredited Investor**” means an “accredited investor” as that term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act. “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.]

[The undersigned hereby confirms it is resident in Canada and is purchasing the Conversion Shares as a Canadian Accredited Inventor, and, upon reasonable request of the Corporation, the undersigned shall provide the Corporation a written certificate in a form satisfactory to the Corporation, acting reasonably, confirming such status. “**Canadian Accredited Investor**” means an “accredited investor” as that term is defined in National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-105**”), and in Ontario, as defined in Section 73.3 of the *Securities Act* (Ontario) as supplemented by the definition in NI 45-106.]

The undersigned hereby irrevocably directs that the Common Shares be delivered, subject to the conditions set out in the Debenture, and that the said Common Shares be registered, as follows:

Name in Full	Address	Number of Conversion Shares
_____	_____	_____

DATED this _____ day of _____, 20__.

Signature of Holder

Print Name and Address in full below:

Name

Address

