

5 February 2020

SMX joins with The Perth Mint to create world's first mine-to-product transparency solution

- The solution will leverage SMX's proprietary technology to provide transparency and accountability from the gold mine site to the end user
- SMX and The Perth Mint sign MoU to establish an initiative focused on the development of the world's first mine-to-marketplace ethical gold supply chain technology solution
- *trueGold* will be approaching key industry players to participate in the initiative
- Full launch of the solution is expected in Q1 2021
- SMX's patented reader will be leveraged to maintain the highest levels of gold quality and integrity

Security Matters Limited (ASX: SMX) (Security Matters or the Company), a state-of-the-art supply chain integrity and asset tracking blockchain technology company focused on irrevocably marking and tracking a range of fungible products and substances to create an end-to-end transparency solution is delighted to announce it has signed an MoU (Memorandum of Understanding) with The Perth Mint to create an initiative that will focus on the development of the world's first mine-to-marketplace ethical gold supply chain assurance solution.

The World Gold Council has issued responsible gold mining principles and the London Bullion Market Association has set up a responsible gold guidance for Good Delivery Refiners. This initiative is being developed against the backdrop of both industry guidance statements.

Following regulatory approvals, the initiative will lead to the formation of *trueGold* and SMX, and The Perth Mint will then commence the development of a high-tech proprietary supply chain solution utilising SMX's disruptive technology and all relevant industry players will be invited to participate.

The solution is based on the utilisation of SMX's scientifically proven molecular markers and is focused on providing transparency and accountability for all gold industry stakeholders. It will also leverage SMX's patented proprietary reader to ensure the highest levels of quality and integrity are maintained.

The establishment of *trueGold* will follow the completion of a two-year project in collaboration with The Perth Mint whilst consulting with industry regulators to establish how best to design the technology and logistical roll out of the solution.

Full launch of the solution is expected in Q1 2021, following the finalisation of testing on all main production processes, the incorporation of client specific elements, formal sign off from regulators and the roll out of a stakeholder acquisition strategy. This strategy will be focused on the onboarding of miners, insurers, vaults and storage companies, and end product customers including financial institutions, jewellery industry leaders and technology companies.

The Perth Mint and SMX will be seeking the involvement of other gold industry supply chain participants through expressions of interest as part of the commercialisation.

Richard Hayes, CEO, The Perth Mint comments:

“This is a particularly significant development given the increasing focus on Environmental, Social and Governance (ESG) practices across the world pertaining to the gold supply chain.

“This game changing technology will report on the origin of the gold and how the metal moves through the entire production and distribution process. This complete transparency will instil even greater trust in a commodity which already provides the ultimate refuge during times of economic and geopolitical turmoil.”

Haggai Alon, Founder and CEO comments:

“Notwithstanding Brexit, London is and will remain the pivotal point of the gold industry.

“We are honoured to be working with a leading name within the gold industry, The Perth Mint. Establishing this initiative is only the first step for SMX in demonstrating how our technology can be used and utilised to validate and maintain the integrity of premium ores and we are working tirelessly to create an authentic and transparent marketplace for all commercial and consumer goods.”

“The *trueGold* project perfectly demonstrates how easily big changes can be made to supply chains and distribution processes when adopted by leading organisations, and how technology can be used to drive change. By differentiating between and employing a different technique to the three product lifecycles: raw material to production; production to commercial; and commercial to recycle, you can create an entire technology driven ecosystem that promotes and drives integrity, anti-counterfeiting, corporate transparency, accountability and sustainability.”

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By order of the Chief Executive Officer.

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About Security Matters Limited

Security Matters has commenced the commercialisation of its unique, patented technology that uses a hidden chemical-based ‘barcode’ to permanently and irrevocably ‘mark’ any object, be it solid, liquid or gas. The barcode is read using the company’s unique ‘reader’ to access the corresponding stored data, recorded and protected using blockchain technology.

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About The Perth Mint

One of the world’s leading precious metals enterprises, The Perth Mint:

- Processes more than 10% of annual global gold production and over 90% of gold mined in Australia, with Australia being the world’s second largest producer of gold after China.
- Operates one of the largest and most efficient precious metals refineries in the world, with gold and silver refining capacities in excess of 800 tons and 900 tons per annum respectively.
- Provides the world’s only government guaranteed precious metals storage program as well as an expanding choice of other innovative investment solutions.

- Safeguards wealth worth AUD 4 billion for clients, ranging from central banks and sovereign wealth funds to individuals, in its central bank grade vaults.
- Manufactures and delivers a wide range of precious metal bars and coins worth in excess of AUD 18 billion to more than 130 countries annually.