

ASX / Media Release

29 April 2021

ASX code: **K2F**

Decipher for Mining Acquisition Update

Highlights:

- **Integration continues at pace**
- **SAEC (South African Energy Coal) goes live with the Decipher solution for the monitoring of tailings**
- **New contract signed with Evolution Mining for Tailings Management**
- **New Purchase Order from Hunter Valley Coal, a division of BHP, for a proof of concept for the Rehab solution**
- **Demand continues to grow with rollout of the Global Industry Tailings Standard (GITS)**

Following completion on 31 March 2021 of the acquisition of Decipher for Mining (**Decipher**), K2fly Limited (ASX: K2F) (**K2fly** or **the Company**) is pleased to update the market on the progress made since the acquisition announcement on 23 January 2021.

In February 2021 Decipher went live at SAEC (South African Energy Coal) for its tailings monitoring solution and resulted in a total contract value (TCV) of over AUD\$70,000. SAEC includes four coal mining operations as well as three processing plants, producing energy coal for the domestic and export market. On 30 April 2018, SAEC became a stand-alone business to be managed separately from the rest of the South32 Group. This project continues to deliver to expectations.

K2fly has signed a contract with Evolution Mining Limited (Evolution Mining) for its inaugural implementation of a tailings' solution at Lake Cowal. The contract term will be three years with a total contract value (TCV) over AUD\$250k. Evolution Mining is a gold company engaged in operating, identifying and developing gold-related mining projects in Australia and Canada. It owns and operates five wholly owned mines: Cowal in New South Wales; Mt Carlton, Mt Rawdon, and Cracow in Queensland; and Mungari in Western Australia. In addition, Evolution Mining holds an economic interest in the Ernest Henry copper-gold mine in Queensland. The Cowal gold operation is an open-pit facility located 350 kilometers west of Sydney.

K2fly has received a Purchase Order from BHP- Hunter Valley Energy Coal for an initial proof of concept for the Decipher Rehab solution.

While the Company is very pleased with the progress to date, and we celebrate each win, and although the contracts and purchase order to date are not material contracts/orders, they do demonstrate the demand for our Decipher solutions in Tailings and Rehab.

The pipeline for Decipher from K2fly solutions is growing rapidly because of significant pressure from investors and other stakeholders in the mining industry. As previously announced, this follows:

- Global Industry Standard on Tailings Management (GITS or the Standard) formal endorsement by the co-convenors of the Global Tailings Review: International Council on Mining and Metals (ICMM), UN Environment Programme (UNEP), and the Principles for Responsible Investment (PRI).
- In December 2020, the Church of England Pensions' Board and the Council on Ethics of the Swedish National Pension Funds wrote to over 350 mining companies on behalf of investors with \$21 trillion in assets under management (AUM), asking them to confirm their support for the Standard and to set out a timeline for their intended compliance with it.
- When ICMM launched GITS alongside the UNEP and PRI, all ICMM member companies (28) committed that all tailings facilities with 'Extreme' or 'Very high' potential consequences will be in conformance with the Standard by August 2023, and all other facilities by August 2025. On 6 May 2021 ICMM will be launching its Conformance Protocols for GITS.

Announcement released with authority of K2F board.

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About K2fly

K2fly Ltd (K2F) is an ASX listed technology company providing enterprise-level technical assurance and reporting solutions across all aspects of the Environmental, Social and Governance functions.

Servicing the mining, oil & gas, utilities and agriculture sectors, K2fly delivers a suite of solutions in governance and compliance, stakeholder engagement and permits and obligations services for clients covering:

- Land Access
- Community and heritage
- Rehab
- Dams & Tailing
- Resources Inventory and Mine Geology Systems
- Ground Disturbance

Underpinning K2fly's Software as a Service (SaaS) offering are its proprietary technologies: RCubed, Infoscope, the SATEVA Suite and Decipher.

K2fly has strategic alliances with global technology companies such as Esri (USA), SAP (Germany) and Hitachi-ABB (Japan).

In addition, K2fly provides cutting edge business consultancy services with subject matter experts across Rail, Electricity, Gas, Water, Mining, Oil & Gas, and Facilities Management.