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KOLLAKORN

# ASX Announcement

30 September 2014

## Kollakorn Private Placement

The Directors of Kollakorn Corporation Limited (ASX: **KKL**) advise that they have made a private placement of 1,500,000 ordinary shares at 1 cent per share raising $15,000 (**Placement**).

The proceeds raised from the Placement will be used for the specific purpose of providing funds for the International Patent Cooperation Treaty (**PCT**) phase of the Biometric ID patent (**CertainID™**).

The PCT is an international patent law treaty that provides a unified procedure for filing patent applications to protect inventions in each of its contracting countries and will give international protection to our patent.

**What is CertainID™**

Secure personal identification in which the person, rather than the device, is identified is emerging as an increasingly important requirement for Internet transactions, as more and more information and daily interactions migrate to the web. In activities ranging from online banking, online health care and social networking, the need to securely identify individuals is becoming essential.

Personal identification can be undertaken by means of passwords, tokens (such as smart cards), or biometrics. Passwords and tokens may be lost or stolen, however when properly implemented, biometric technology provides the most secure and reliable means of personal identification.

In a conventional network-based biometric system the biometric templates are stored online in one or more databases and accessed remotely in order to verify a user's identity. This method of storage presents major privacy and security risks if the databases are hacked as biometric signatures are permanent and cannot be replaced. These risks are a major obstacle to the widespread adoption of biometric identification in internet applications.

A new technology known as **CertainID™** for enabling internet-based biometrics has been developed and patented by Kollakorn. In this patented approach, which is in essence a biometrically enabled PKI (**Public Key Infrastructure**), each user has a "**module**" that stores the user's biometric details that can be subsequently integrated into a personal device such as a cell phone or laptop computer.

The way that **CertainID™** works is that each module stores the biometric template for the user. The system internally generates a public and a private "**key pair**" that it associates with biometric template of the user. The generation of the key pairs is not dependent in any way on the stored biometric data which is retained secretly within the device. The activation of the private key by the user then enables the public key to be uploaded to a public key repository on the internet.

When a user needs to be biometrically identified by a remote third party (person or device) on the internet, he or she biometrically authorises a specific cryptographic operation that can be verified by the third party. The remote third party then verifies the cryptographic operation by using the corresponding public key, obtained from an online public key repository.

By confirming that the user's private key was used, the third party biometrically identifies the **user of the device** and no biometric information is released into the internet during this process, thus protecting the user's biometric data.

**Features and Benefits of CertainID™**

- Enables secure biometric identification over a network (such as the internet).
- Ensures the privacy and security of users' biometric information no biometric information is ever released into the internet.
- Enables secure, biometrically authenticated person-to-person or person-to-device communications over the internet.
- Can be part of a multi-factor user authentication protocol.
- Can use any PKI protocol and any biometric identification method.
- Intended for use with portable devices such as cell phones, tablets and laptops.

**Applications of CertainID™**

- Biometric authorisation of financial transactions – web-based or in-store.
- Ensuring the privacy and security of on-line personal records – e.g. medical records.
- Securely identifies participants on social networking sites.
- Protection against identity theft.
- Biometrically authenticated access control.
- Biometric authentication of the sender and recipient of sensitive or classified information.
- Thwarts internet predators.

**R M Sealy**
**Managing Director**