



## Announcement Summary

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**Entity name**

K2FLY LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

Friday May 8, 2020

**The Proposed issue is:**

A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

<b>ASX +Security Code</b>	<b>+Security Description</b>	<b>Maximum Number of +securities to be issued</b>
K2FAD	OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES	1,912,500

**Proposed +issue date**

Monday May 18, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

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**1.1 Name of +Entity**

K2FLY LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

**1.2 Registered Number Type**

ABN

**Registration Number**

69125345502

**1.3 ASX issuer code**

K2F

**1.4 The announcement is**

New announcement

**1.5 Date of this announcement**

Friday May 8, 2020

**1.6 The Proposed issue is:**

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

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Part 7A - Conditions

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**7A.1 - Are any of the following approvals required for the placement or other type of issue?**

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

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**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

Existing class

**Will the proposed issue of this +security include an offer of attaching +securities?**

No

Details of +securities proposed to be issued

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**ASX +Security Code and Description**

K2FAD : OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES

**Maximum Number of +securities proposed to be issued**

1,912,500

**Purpose of the issue**

Unlisted options to be issued with an exercise price of \$0.30 each and expiry date of 3 years from the date of issue to an underwriter (refer ASX announcement dated 8 May 2020)

**Offer price details for retail security holders**

**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD



**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

Yes

**Oversubscription & Scale back details**

**May a scale back be applied to this event?**

No

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Part 7C - Timetable

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**7C.1 Proposed +issue date**

Monday May 18, 2020

Part 7D - Listing Rule requirements

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**7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?**

No

**7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Yes

**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

1,912,500

**7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?**

No

**7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?**

No

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**

No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**

No

Part 7E - Fees and expenses

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**7E.1 Will there be a lead manager or broker to the proposed issue?**

No

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**7E.2 Is the proposed issue to be underwritten?**

No

**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

Part 7F - Further Information

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**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

No

**7F.2 Any other information the entity wishes to provide about the proposed issue**

The Company has entered into an underwriting agreement in respect of the 7,650,000 listed options exercisable at \$0.20 per option, expiring 18 May 2020 (ASX: K2FOA) (Options) with K S Capital Pty Limited (Underwriter) up to an amount of \$1.53 million (Underwriting Agreement). Pursuant to the Underwriting Agreement, the Underwriter will be paid a fee of 6% of the underwritten amount, plus will be issued one unlisted option in the Company (with an exercise price of \$0.30 each and expiry date of 3 years from the date of issue) for every 4 Options underwritten (New Option). The New Options are the subject of this Appendix 3B.