

ASX / Media Release

21 January 2021

ASX code: **K2F**

Sateva Acquisition Progress

Highlights:

- **Purchase Orders related to SATEVA business >\$850k since acquisition completed in November**
- **Model Manager is now released and being demonstrated to major mining houses globally**
- **Results from trial of new ore block optimisation solution at major iron ore mine demonstrate significant customer benefit and value that will be applied across the market for bulk miners**

K2fly Limited (ASX: K2F) (**K2fly** or **the Company**) is extremely pleased to announce that the SATEVA acquisition (refer ASX announcement 28 October 2020) is exceeding expectations and is ahead of target. In the less than three months since the acquisition was completed, K2fly has received over \$850k of new purchase orders from major mining houses in the iron ore sector. This is compared to a total revenue (SATEVA) of \$1.4m in FY20.

The new automated ore blocker solution that has been trialed at a major iron ore producer in WA has performed extremely well and exceeded the customer's expectations. The results from this trial will be able to be shared with our global mining customers from February onwards and although no contracts have been signed, K2fly is in negotiation with two major mining companies and expect the list of clients to grow rapidly.

The SATEVA acquisition and its associated intellectual property brings to K2fly a suite of mine geology applications for mining companies around orebody knowledge and control. They are particularly relevant to our existing global client base and integrate with our existing mineral inventory solutions for deeper technical assurance. SATEVA's customers are predominantly in iron ore (FMG, Rio Tinto and Roy Hill) and are currently enjoying particularly buoyant prices for that commodity.

Nic Pollock Chief Commercial Officer of K2fly commented, "We couldn't be happier with the timing of the SATEVA acquisition and the opportunities it presents for us to better service the global iron ore producers, particularly here in our home patch of Western Australia."

The strategy behind the acquisition was to:

- Maintain and develop the SATEVA consulting business and its customers.
- Convert IP from consulting work into repeatable software solutions and recurring revenue streams.

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With the purchase orders already received we are clearly over-performing on the first element. We are also very pleased at the response of our customers to the new product offerings which are incredibly timely for the iron ore industry, as well as other bulk open pit mining operations like gold and copper.”

SATEVA SUITE

Model Manager a high-performance storage and analytics solution which provides improved block model management, and a direct line of sight and governance from the block model to the annual inventory report. This integrates directly with our RCubed Mineral Inventory solution.

Model Manager is now launched and K2fly is in the progress of sharing this exciting bolt on to our existing clients and prospects of our mineral inventory solution.

Maximum Return Mine Geology System (In production at Roy Hill) has now been recommended for use in a tier 1 iron ore mining company.

Automated Ore Blocker is an automated ore block-out solution integrated into SATEVA Maximum Return. This has just passed trials at a major iron ore producer and will go into production this quarter.

Announcement released with authority of K2F board.

ENDS

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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 and the SATEVA Suite.

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

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

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