

ASX / Media Release

25th October 2019

ASX code: **K2F**

K2fly Signs Nexa Resources for RCubed Solution

Highlights

- Nexa Resources from Brazil has signed an annual agreement with K2fly for the RCubed Mineral Resource and Reserve Solution across 12 sites
- The initial purchase order is for approximately Au \$170,000 including annual software subscription for the first year and implementation fees
- This is another Software as a Service (SaaS) contract for the RCubed solution
- High demand from NYSE listed companies continues as US SEC regulation changes come into effect in 2021
- As at the end of September 2019, K2F's SaaS offerings (RCubed and Infoscope) have been deployed or are being deployed in more than 40 countries and across more than 200 sites.

K2fly Ltd (**K2fly** or **K2F**) is very pleased to announce that Nexa Resources is going to implement K2F's RCubed Mineral Resource and Reserve software solution across 12 sites globally. Implementation will commence immediately.

Nexa Resources is a mining and smelting company with an emphasis in zinc and copper. Nexa Resources operates five polymetallic mines, three of which are in the central Andes of Peru and two mines are in the state of Minas Gerais, Brazil. Nexa Resources also has integrated production facilities in Brazil and Peru. Nexa Resources' shares are traded on the New York (USA) (NYSE) and Toronto (Canada) stock exchanges. Nexa's main shareholder is Votorantim, one of the largest industrial conglomerates in Latin America.

Nic Pollock, K2fly Chief Commercial Officer, said that "we are delighted to welcome Nexa Resources to the growing list of resource companies who will use RCubed to distinguish themselves in their market by the quality of their Mineral Resource Governance and Reporting to their shareholders and regulators. Nexa Resources is our first Brazilian based customer and adds to the growing list of customers, countries, commodities, codes and exchanges we support. We are now seeing the US SEC Regulation changes driving increased demand for the RCubed solution."

The Nexa Resources contract further increases the strong ARR (Annual Recurring Revenue) growth that K2fly SaaS business is experiencing, which is up 29% from Q4FY19, and 140% CAGR (Compound Annual Growth Rate) over the last 4 quarters.

K2fly Limited ACN 125 345 502

E info@k2fly.com

Registered Office Level 1, 26 Railway Road, Subiaco WA 6008

www.k2fly.com

Note on US SEC Regulation Changes:

In October 2018, the U.S. Securities and Exchange Commission (SEC) adopted a final rule that overhauled its existing disclosure requirements for mining company issuers. It represents the first major change since Industry Guide 7 was adopted almost 30 years ago and brings the U.S. into line with countries following CRIRSCO¹ reporting codes such as Australia, Canada and South Africa. Companies operating in the US or listed on the NYSE will be required to comply with the new rules in its first fiscal year beginning on or after 1 January 2021.

This affects many major mining houses that are exclusively or joint listed on the NYSE such as BHP, Rio Tinto, Vale, Newmont Goldcorp, Anglo Gold Ashanti and Goldfields to name some, but there are in excess of 50 large mining companies listed on the NYSE.

¹ CRIRSCO is the Committee for Mineral Reserves International Reporting Standards

ENDS

For further information, please contact:

Brian Miller
CEO
K2fly Limited
T: +61 422 227 489
E: brian@k2fly.com

Investor Inquiries
Paul Hart
Canary Capital
T: +61 421 051 474
E: phart@canarycapital.com.au

K2fly Limited ACN 125 345 502

E info@k2fly.com

Registered Office Level 1, 26 Railway Road, Subiaco WA 6008

www.k2fly.com

About K2fly

K2fly Ltd is an ASX listed technology company which targets asset intensive industries. It supplies people, products and strategic alliances focussed on solving problems for clients.

K2fly owns the following Software Solutions:

- **Mineral Resource Governance - RCubed** a resource and reserve reporting solution that supports reporting codes such as JORC, NI43101 and SAMREC across the major stock exchanges – including NYSE, LSE, TSX, ASX and JSE; and
- **Natural Resource Governance - Infoscope**, an Enterprise Land Management, Natural Resource Governance and Stakeholder Relations solution for the Energy and Resources market.

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

K2fly also re-sells market leading software which has been developed by industry leaders in the USA, Australia, Europe and the UK. These solutions come from OBI Partners (USA), Kony (USA), Pointerra Limited (Aus), ABB (Switzerland), Totalmobile (UK) and Capita plc (UK), where they have an outstanding track record of delivering benefits to clients.

In addition, K2fly provides cutting edge advice, consultancy and services when it deploys its subject matter experts who have extensive domain knowledge in such areas as Rail, Electricity, Gas, Water, Mining, Oil & Gas, Facilities Management, Aviation and Defence.