



ASX Announcement

DLT to Supply AI Software Through Partnership with Strayos

HIGHLIGHTS

- DLT to complement its current data solutions with AI-driven technology, significantly broadening the business model and value-add to customers to support higher pricing and multi-year contract revenue growth
- Strayos to be the primary data and visualisation platform for DLT and its mining customers
- Software & AI-tools to become an integrated cornerstone of DLT's service offerings going forward
- The integration of AI with drone data enhances digitalization solutions, services, workflows, and increases the speed of insights available to DLT's clients
- Strayos develops and runs a Software as a Service ("SaaS") platform for use in the drilling, blasting, mining, construction, conservation, and related industries

14 November 2022 – Drone-based data provider, **Delta Drone International Limited or DLT (ASX: DLT)** is pleased to announce a new product addition to its data solutions business model via its partnership and distribution agreement with AirZaar Inc a Delaware Corporation doing business as Strayos, a US-based software provider to the mining industry.

DLT CEO Christopher Clark said: "We have been assessing the markets in which we predominantly operate, being Australia and Africa, and have identified that our customers want a stronger vertically integrated solution that not only includes data capture but also data insights.

Overlaying AI-intelligence in our current data workflows adds a higher value proposition to the end-user, resulting in faster turnaround of reporting and ultimately simplifying decision-making within these complex environments.

Our partnership with Strayos is mutually beneficial. DLT will see an increased revenue mix of software sales while Strayos will leverage our global presence and geospatial experience to ensure customers receive seamless on-boarding and continuous support. We look forward to our new partnership with Strayos."

Strayos solution: Strayos has developed a unique software platform with advanced image processing, digitalization, and AI tools designed to improve safety, efficiency, and productivity in mining jobsites. Strayos' software is primarily data-enabled by aerial imagery and lidar, captured by drones, and used to create digital twins of sites. The digital twins can be further enhanced by adding data from additional sensors from mining equipment. Strayos AI generates insights that help mining management and engineers make faster more informed decisions and ensure conformance across their operations.

Strayos CEO Ravi Sahu said: "By partnering with Delta Drone, customers in Africa and Australia will be able to take advantage of Strayos' AI powered solutions and insights to optimize their operations for safety, sustainability, and productivity from mine to mill.

Delta Drone is an excellent partner for this market expansion as they can immediately expand the products and value add they offer to their current customers and are well-positioned to support new

customers.

Working with Delta Drone is the beginning of an exciting new chapter in making advanced AI solutions easily available to the mining industry."

Strayos agreement: This arrangement will allow DLT to distribute software licences across Africa and Australia, either directly or via resellers and consultants. DLT will apply the solution in an integrated way for existing and new customers to process and value-add drone captured data. In addition, customers will gain extra value from the Strayos platform more broadly, given its multi functionality to generate ongoing operational insights across business operations. DLT has an exclusivity option available should minimum agreed sales targets be met.

Key terms

Go to Market: Delta Drone and Strayos wish to work together to expand their customer base by leveraging each others' resources and experience. Delta Drone and Strayos shall work together to strategise and implement a go-to-market plan. Within Australia and Africa, DLT will act as:

- Service provider for customers. Delta Drone shall render drone services to their customers using Strayos' Products and Services to process the customers' data on the terms and conditions below, and
- Distributor of Strayos' Products and Services. For customers that do not wish to use Delta Drone's services, Delta Drone may act as a Strayos Distributor, for which Delta Drone shall receive a commission.

Exclusivity: This agreement is non-exclusive. However, DLT has a right of first refusal to offer its services to potential customers that come to Strayos within Australia and Africa. In addition:

- Exclusivity will be provided to DLT after it achieves cumulative total software billings of US\$1.2m including marketing and sales expenses to a maximum of US\$200k.
- DLT is entitled to a 10% "support fee" on the profits of all new subscriptions of Strayos' Products and Services within Australia and Africa (to the 'surveying, mining, quarrying, drilling and blasting' market) that Delta Drone did not sell to or work to close the sale, once exclusivity has been achieved.

Scope: The scope of this agreement covers Australia and Africa in the surveying, mining, quarrying, drilling and blasting market.

Termination: The parties may mutually agree to terminate the agreement with immediate effect. Either party may terminate in certain circumstances involving the insolvency or material breach of the other party. In addition, Strayos may terminate in certain circumstances involving the Company repeatedly not meeting the sales goals set out in the agreement.

The agreement contains various other terms and conditions which are considered standard for agreements of this nature.

About Strayos

Strayos is a US based 3D Visual AI platform that uses data gathered by drones, machine vision and remote sensing systems to create site digital twins and AI powered insights for operations to reduce cost and, improve productivity, profitability, safety and sustainability. Founded in 2016 to service the quarrying and blasting industries, Strayos have since expanded to provide integrated solutions for the drilling, mining civil engineering, construction and conservation industries. Strayos helps business of all sizes discover actionable insights.

-ENDS-

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About Delta Drone International www.dlti.com.au

Delta Drone International is a ASX listed (ASX: DLT) multi-national drone-based data service and technology solutions provider for the mining, agricultural and engineering industries.

Services are aerial surveying and mapping, security and surveillance, and blast monitoring and fragment analysis through a fully-outsourced service with AI and fast data turnaround that allows enterprise customers to focus on operations on the ground while Delta Drone International takes care of everything in the air.

Revenues are generated through multi-year recurring revenue contracts and short projects which also have the potential to be recurring. Key customer contracts include with tier 1 and tier 2 miners, South32, Newmont Mining, Red 5 and Seriti Coal.

DLT's operations are focused on Australia and Africa with regional offices in Perth, Johannesburg & Accra.

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