Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Kollakorn Corporation Limited

ABN

41 003 218 862

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid Ordinary shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Total of 20,000,000 Ordinary shares • 5,000,000 Fully paid Ordinary shares under Listing Rule 7.1 • 15,000,000 Fully paid Ordinary shares Listing Rule 7.1A
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	As per existing Ordinary shares

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	10,000,000 - $0.01 per Share 10,000,000 – nil consideration with a deemed value of $0.01 per Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	10,000,000 shares - $0.01 per Share – capital raise to fund working capital requirements of Kollakorn with a particular emphasis on developing our CertainID and Waste to Energy capability. 10,000,000 shares – Nil consideration with a deemed value of $0.01 per Share. As per the employment contract of David Matthews, CEO of the Company, details of which were released to shareholders in the ASX announcement of 15 June 2016, the Directors of the Company shall review his performance against appropriate KPIs and if they consider, in their sole discretion, that he has meet each of the KPIs then the Company shall pay an amount of AUD$100,000 to be settled in cash and/or Shares as determined by the Directors in their sole discretion. For the period 1 September 2017 to 31 August 2018 the Directors confirmed the KPIs has been achieved.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	5,000,000
6d	Number of +securities issued with security holder approval under rule 7.1A	15,000,000
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Zero
6f	Number of +securities issued under an exception in rule 7.2	Zero
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. Issue price of $0.01 per Share VWAP of $0.0095 per Share Source: Company's calculation
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	24 October 2018
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 12,692,369 7.1A – 3,871,835

+ See chapter 19 for defined terms.

7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	24 October 2018

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	219,718,355	Fully paid Ordinary shares

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	74,999,999	Unlisted performance shares at $0.08 exercisable from 30 June 2020 provided the performance milestones have been met.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged

Part 2 - Pro rata issue

Deleted – Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☐ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

7 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

Number	+Class

+ See chapter 19 for defined terms.

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 24 October 2018

Company secretary

Print name: Tom Bloomfield

== == == == ==

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	188,718,355
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Zero
"A"	188,718,355

Step 2: Calculate 15% of "A"

+ See chapter 19 for defined terms.

<table>
<tr><td>“B”</td><td>0.15

[Note: this value cannot be changed]</td></tr>
<tr><td>Multiply “A” by 0.15</td><td>28,307,753</td></tr>
<tr><td colspan="2">Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</td></tr>
<tr><td>Insert number of +equity securities issued or agreed to be issued in that 12 month period not counting those issued:

• Under an exception in rule 7.2

• Under rule 7.1A

• With security holder approval under rule 7.1 or rule 7.4

Note:
• This applies to equity securities, unless specifically excluded – not just ordinary securities
• Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed
• It may be useful to set out issues of securities on different dates as separate line items</td><td>• 9,615,384 Fully paid ordinary shares issued on 6 November 2017.
• 1,000,000 Fully paid ordinary shares issued on 23 February 2018.
• 5,000,000 Fully paid ordinary shares issued on 24 October 2018.</td></tr>
<tr><td>“C”</td><td>15,615,387</td></tr>
<tr><td colspan="2">Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</td></tr>
<tr><td>“A” x 0.15

Note: number must be same as shown in Step 2</td><td>28,307,753</td></tr>
<tr><td>Subtract “C”

Note: number must be same as shown in Step 3</td><td>15,615,384</td></tr>
<tr><td>Total [“A” x 0.15] – “C”</td><td>12,692,369

[Note: this is the remaining placement capacity under rule 7.1]</td></tr>
</table>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	188,718,355
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	18,871,835
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	• 15,000,000 Fully paid ordinary shares issued on 24 October 2018.
"E"	15,000,000

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	18,871,835
Subtract "E" *Note: number must be same as shown in Step 3*	15,000,000
Total ["A" x 0.10] – "E"	3,871,835 *Note: this is the remaining placement capacity under rule 7.1A*

65 York Street, Level 9
Sydney NSW 2000
Australia
www.kollakorn.com

KOLLAKORN

ASX ANNOUNCEMENT

24 October 2018

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

ISSUE OF SHARES - CLEANSING NOTICE

Kollakorn Corporation Limited (**ASX: KKL**), as per the discretion under Listing Rule 7.1. Listing Rule 7.1A. has today completed a placement of 20,000,000 fully paid ordinary shares. 15,000,000 shares under Listing Rule 7.1A and 5,000,000 shares under Listing Rule 7.1A.

This notice is given by pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cwlth) (Corporations Act). Kollakorn gives notice that:

a. On 24 October 2018, Kollakorn completed a placement of the abovementioned securities as per the discretion under Listing Rule 7.1 and Listing Rule 7.1A.
b. Kollakorn has issued the above shares without disclosure to investors under Part 6D.2 of the Act.
c. As at the date of this notice, Kollakorn has complied with:
    i. The provisions of Chapter 2M of the Act as they apply to Kollakorn; and,
    ii. Section 674 of the Act; and
d. As at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708A(7) and 708A(8) of the Act.

On behalf of the Board of Kollakorn

Tom Bloomfield
Company Secretary