

KALiNA Power Completes Successful AU\$3.2 Million Private Placement

Led by existing investors, directors and management, KALiNA has exceeded the target of AU\$3M by securing commitments totalling approximately AU\$3,200,000 (gross) at an issue price of 3.5 cent per share through a private placement ("Placement"). This price represents the 10 day VWAP to the market close on Friday 18 of October.

Proceeds of the Placement will settle on Monday, 28 October 2019 with the allotment of the Placement shares anticipated on Wednesday 30 October 2019. The Placement represents approximately 91.4 million new shares that will be issued under the Company's existing placement capacity pursuant to Listing Rule 7.1 (14,539,003 shares) and Listing Rule 7.1A (66,531,481 shares) with the balance of 10,358,087 shares subject to shareholder approval. The Company thanks existing shareholders and company insiders for supporting the placement and welcomes several new institutional investors to the register. Funds raised will be primarily used toward the development of the Company's Alberta projects and for ongoing working capital requirements.

KALiNA directors previously loaned AU\$300,000 to the Company and agreed to convert the debt obligation to placement shares (8,571,429 shares). The issue of the Placement shares to the directors will be subject to shareholder approval at the upcoming AGM of the Company, expected to be on or about 28 November 2019. In addition to approving director's participation the Company will seek approval to place an additional 1,786,658 shares to complete the placement.

Cove Capital Pty Limited ("Cove") acted as lead manager to the Company.

KALiNA management would like to thank our existing and supportive shareholders and are looking forward to updating the market on our projects in Alberta in due course.

For further information, please contact:

Tim Horgan
Executive Director
Ph: +61 3 9236 2800

Information required for Listing Rule 7.1A and Listing Rule 3.10.5A

- (A) The 66,531,481 shares issued under Listing Rule 7.1A represents a 9.17% dilution to shareholders as at the date immediately prior to the Placement
- (B) The Company considered the requirement for funding in the near term to support the activities of the group, and in particular the Alberta project development and concluded that due to the necessary funding timeline, a Placement was more beneficial to shareholders than other funding mechanisms. Previously, the Company completed a rights issue to shareholders in April 2019 at 1c per share and the current Placement price therefore represented a 350% increase on that price.
- (C) There were no underwriters to the Placement.
- (D) The Company will pay \$72,919 in fees in relation to the total Placement.