

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

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
Unlisted Options
Loan Notes

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- 24,000,000 Fully paid ordinary shares
- 12,000,000 Unlisted Options at \$0.0125
- 54,000,000 Unlisted Options at \$0.0075
- 44 Loan Notes at \$25,000 per note

+ See chapter 19 for defined terms.

3 Principal terms of the +securities (eg, 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 • Options – exercisable at \$0.0125 on or before 31 August 2018 • Options – exercisable at \$0.0075 on or before 31 August 2018 • Loan Notes ▪ 7% coupon rate ▪ security for each note is limited in recourse to 58,976 ordinary shares in Kollakorn Thailand in Kollakorn Co., Ltd (“Kollakorn Thailand”) ▪ Due for repayment in cash (together with accrued interest) on 31 August 2018 ▪ KKL has the right of early repayment in cash at any time, and in that case the Repayment Amount shall be adjusted according to the period of time that the New Note has been on issue
4 Do the +securities rank equally in all respects from the date of allotment 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	Shares - Yes Once the options are exercised for Shares, the Shares will rank equally with Shares currently on issue.
5 Issue price or consideration	• Ordinary shares - issued for no consideration. • Options – exercisable at \$0.0125: issued for no consideration. • Options – exercisable at \$0.0075: issued for no consideration. • Loan Notes: None, rollover of prior issued notes of \$25k

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Rollover of prior notes and attaching terms
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	10 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	• 24,000,000 Fully paid ordinary shares • 12,000,000 Unlisted Options exercisable at \$0.0125 • 54,000,000 Unlisted Options exercisable at \$0.0075 • 44 Loan Notes at \$25,000 per note
6d	Number of +securities issued with security holder approval under rule 7.1A	Zero
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.	N/a

+ See chapter 19 for defined terms.

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	N/a	
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	153,422,895	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	25 February 2016	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		997,691,580	Fully Paid Ordinary Shares
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		5,000,000	Unlisted Options at \$0.075 expiring 5/12/2016
		12,000,000	Unlisted Options at \$0.0125 exercisable on or before 31 August 2018
		54,000,000	Unlisted Options at \$0.0075 exercisable on or before 31 August 2018
		44	Loan Notes at \$25,000 per Note
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged	

Part 2 - Bonus issue or 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

37 ☐ 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

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment 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)

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

Number	+Class

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 not available now, 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: 29 February 2016
Company Secretary

Print name: **Tom Bloomfield**
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

Introduced 01/08/12

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 date of issue or agreement to issue	857,790,086
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 <i>Note:</i> - 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	46,702,638 ordinary shares. Issued under a Rights Issues in April 2015 28,571,428 ordinary shares. Ratification received by shareholders at the 2015 AGM. 40,627,428 ordinary shares. Ratification received by shareholders at the 2015 AGM.
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Zero
“A”	973,691,580
Step 2: Calculate 15% of “A”	
“B”	0.15

	<i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	146,053,737
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> 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 <i>Note:</i> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	24,000,000 Fully paid ordinary shares issued on 25 February 2016 12,000,000 Unlisted Options at \$0.0125 issued on 25 February 2016 54,000,000 Unlisted Options at \$0.0075 issued on 25 February 2016
“C”	90,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	146,053,737
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	90,000,000
Total [“A” x 0.15] – “C”	56,053,737 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

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” <i>Note: number must be same as shown in Step 1 of Part 1</i>	973,691,580
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	97,369,158
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: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
“E”	Zero

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	97,369,158
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Zero
Total [“A” x 0.10] – “E”	97,369,158 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.