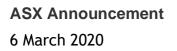
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Company Update

Kollakorn Corporation Limited (**Company**) has become aware that a number of issues of shares between December 2016 and November 2017 were made without disclosure documents (**Placements**), to permit the immediate trading of the shares, given that the Company's shares had been suspended for more than 5 trading days in the 12 months prior to the Placements.

The Company has identified that in respect of one of the Placements in May 2017, the relevant shares were on sold within 12 months contrary to the secondary trading restrictions under the Corporations Act. Therefore these shares remain subject to those secondary trading restrictions.

The Company is taking all necessary steps to rectify the breaches on an expedited basis and will shortly lodge a prospectus to cleanse all shares issued under the Placements, so that subsequent trading is not subject to the secondary trading restrictions under the Act.

Once the cleansing prospectus is lodged, the Company will file an application with the Federal Court of Australia seeking declaratory relief and ancillary orders relating to prior trading in the shares, so that on sales prior to the issue of the cleansing prospectus will be validated and will not attract any civil liability. The Company understands that there are reasonable prospects that the validating orders will be made.

The Company will continue to update the market with any developments including the hearing date following the filing of the Federal Court application.

Authorised by the Board of KKL

David Matthews, CEO

For queries, contact: enquiries@kollakorn.com