Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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

QANDA TECHNOLOGY LTD

ABN

60 066 153 982

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	**Quoted options.**
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1. **226,160,041 Options – Bonus Issue; and** 2. **175,000,000 Options – Conversion of QNAAA to QNAO.**
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)	**Options exercisable at $0.002 each on or before 30 April 2017.**

+ See chapter 19 for defined terms.

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	**No. Options over unissued shares may only be exercised in accordance with their terms and conditions. Upon conversion of the options to shares, the shares will rank equally with existing shares.**

5	Issue price or consideration	1. **Nil – Bonus Issue** 2. **Not applicable – Conversion of QNAAA to QNAO.**

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. **To reward the loyalty of long standing and new shareholders and to give those shareholders the opportunity to participate in the continued growth of the Company – Bonus Issue.** 2. **Not applicable – Conversion of QNAAA to QNAO.**

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	**No**

6b	The date the security holder resolution under rule 7.1A was passed	**Not applicable.**

6c	Number of †securities issued without security holder approval under rule 7.1	**Not applicable.**

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	**Not applicable.**
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	**Not applicable.**
6f	Number of +securities issued under an exception in rule 7.2	**Not applicable.**
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.	**Not applicable.**
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	**Not applicable.**
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	**Rule 7.1:** 106,739,940 **Rule 7.1A:** Not applicable.

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.	1. **11 June 2014 – Bonus Issue** 2. **Not applicable - Conversion of QNAAA to QNAO.**

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	**2,261,599,600**	**Fully paid ordinary shares**
		401,160,041	**Options exercisable at $0.002 each on or before 30 April 2017**

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	**18,750,000**	**Notes convertible at $0.001 each on or before 12 September 2014.**
		25,000,000	**Notes convertible at $0.001 each on or before 16 September 2014.**

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	**Not applicable.**

Part 2 - Pro rata issue

Questions 11 to 33 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

+ See chapter 19 for defined terms.

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)

Questions 38 to 42 - Not Applicable

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: **11 June 2014**
                 Company Secretary

Print name: **Karen Logan**

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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	779,099,600
Add the following: • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2	967,500,000 • 187,500,000 fully paid ordinary shares issued on 5 November 2013, exception 4; • 780,000,000 fully paid ordinary shares issued on 19 February 2014, exception 16.
• Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval	465,000,000 • 115,000,000 fully paid ordinary shares issued on 28 August 2013, shareholder approval under Rule 7.4 given at EGM held 10 January 2014; • 225,000,000 fully paid ordinary shares issued on 19 February 2014, shareholder approval under Rule 7.1 given at EGM held 10 January 2014; • 125,000,000 fully paid ordinary shares issued on 14 March 2014, shareholder approval under Rule 7.1 given at EGM held 10 January 2014.
• 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*	Nil

+ See chapter 19 for defined terms.

• *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	Not applicable.
"A"	2,211,599,600

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	331,739,940

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 *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*	225,000,000 • 125,000,000 options exercisable at $0.002 each on or before 30 April 2017 issued on 14 March 2014; • 50,000,000 fully paid ordinary shares issued on 28 May 2014; • 50,000,000 options exercisable at $0.002 each on or before 30 April 2017 issued on 28 May 2014.
"C"	225,000,000

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	331,739,940
Subtract "C"	225,000,000

+ See chapter 19 for defined terms.

Note: number must be same as shown in Step 3	
Total ["A" x 0.15] – "C"	106,739,940 *[Note: this is the remaining placement capacity under rule 7.1]*

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*	Not applicable.
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	
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*	Not applicable.
"E"	Not applicable.

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*	Not applicable.
Subtract "E" *Note: number must be same as shown in Step 3*	Not applicable.
Total ["A" x 0.10] – "E"	Not applicable. *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.