

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

HomeStay Care Ltd

ABN

62 111 823 762

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 | <p>1. 104,249,894</p> <p><i>(issued before the record date of the entitlement issue)</i></p> <p>2. 599,436,232</p> <p><i>(this remains subject to completion of the entitlement issue pursuant to the prospectus dated 9 October 2019 (Prospectus) and is based on the number of shares on issue on the date of the Prospectus and ignores the effects of rounding of fractional entitlements)</i></p> |

+ See chapter 19 for defined terms.

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)	Fully paid 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	\$0.005 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	- Funds will be used for expansion of HomeStay market place including investment in existing and new verticals, investment in sales and marketing to expand growth pipeline, technology and business development, and working capital. - Funds will be used towards costs of the offer, digital product development, cost of goods sold, operations, sales and marketing and corporate.
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	28 May 2019

6c	Number of +securities issued without security holder approval under rule 7.1	104,249,894
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	599,436,232 <i>(this remains subject to completion of the entitlement issue pursuant to the Prospectus and is based on the number of shares on issue on the date of the Prospectus and ignores the effects of rounding of fractional entitlements)</i>
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
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	Under 7.1 – Nil Under 7.1A – 69,499,929 <i>(These capacities remain subject to update on completion of the entitlement issue pursuant to the Prospectus)</i>

+ See chapter 19 for defined terms.

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⁺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. 9 October 2019
2. 5 November 2019

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Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in section 2 if applicable)

Number	⁺ Class
1,088,686,082*	Fully Paid Ordinary Shares**

**599,436,232 fully paid ordinary shares to be issued subject to completion of the entitlement issue under the Prospectus. This is the maximum number of shares to be issued based on the number of shares on issue on the date of the Prospectus and ignoring the effects of rounding of fractional entitlements.*

*** Application for quotation of these 599,436,232 shares is sought in this Appendix 3B.*

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		143,000,000	Fully paid ordinary shares escrowed to 13 November 2019
		167,000,000	Fully paid ordinary shares escrowed until 24 months from the date of quotation
		2,486,188	Options exercisable at \$0.246 expiring 23 June 2020
		80,000,000	Options exercisable at \$0.03 expiring 13 November 2023, escrowed until 24 months from the date of quotation
		4,000,000	Options exercisable at \$0.05 and expiring 1 August 2022
		4,000,000	Options exercisable at \$0.065, vesting 1 February 2020, expiring 1 February 2023
		4,000,000	Options exercisable at \$0.09, vesting 1 February 2021, expiring 1 February 2024
		2,500,000	Performance Rights vesting 1 January 2020, expiring 4 June 2022

**Note: a further 200 million deferred consideration shares to be issued to HSC Vendors vesting in equal portions on satisfaction of performance conditions being cumulative revenue of \$3m by 19 November 2021; cumulative revenue of \$6m by 19 November 2022; cumulative revenue of \$9m by 19 May 2023; cumulative revenue of \$12m by 19 November 2023, as approved at EGM dated 23 August 2018.*

⁺ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	3:4
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	15 October 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded up
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	China, Hong Kong, Ireland, Monaco, Netherlands, Norway, Switzerland, United Arab Emirates, United Kingdom and United States.
19	Closing date for receipt of acceptances or renunciations	29 October 2019
20	Names of any underwriters	Taylor Collison (ACN: 008 172 450) (AFSL: 247083) (Taylor Collison)
21	Amount of any underwriting fee or commission	Taylor Collison will be paid an underwriting fee of 4% of the total amount raised under the offer in the Prospectus (Offer) and a management fee of 2% of the total amount raised under the Offer. Taylor Collison will also be issued, subject to shareholder approval, 10,000,000 options exercisable at \$0.015 on or before 3 years from the date of issue.

22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	18 October 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	10 October 2019
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	5 November 2019

Part 3 - Quotation of securities

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

⁺ See chapter 19 for defined terms.

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

N/A

39 ⁺Class of ⁺securities for which quotation is sought

N/A

40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?

N/A

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

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.

+ See chapter 19 for defined terms.

M Ross

Sign here:

Date: 9/10/2019

(Company secretary)

Print name: Melanie Ross

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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	134,999,296 (adjusted for the consolidation approved by shareholders on 23 August 2018)
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	- 560,000,000 shares (post-consolidation) issued on 13 November 2018 with shareholder approval obtained on 23 August 2018 -
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	694,999,296

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	104,249,894
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>	104,249,894 shares issued pursuant to this Appendix 3B (9 October 2019)
“C”	104,249,894
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>	104,249,894
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	104,249,894
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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>	694,999,296
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	69,499,929
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 <i>Notes:</i> • 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	0
“E”	0

+ 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 <i>Note: number must be same as shown in Step 2</i>	69,499,929
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	69,499,929 <i>Note: this is the remaining placement capacity under rule 7.1A</i>