

MANALTO LIMITED

[ABN 88 098 640 352]

("the Company")

CLEANSING PROSPECTUS

For an issue of up to 1,000 new shares (**New Shares**) at an issue price of 2 cents (\$0.02) per share to raise \$20 before costs of the issue (**the Offer**).

The Offer is only made to and able to be accepted by invitees determined by the Company who receive a Personalised Application Form.

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act 2001 (Cth) to facilitate secondary trading of certain shares issued prior to the lodgement of, or during the open period of, this Prospectus.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

If you do not understand its contents, you should consult your stockbroker, accountant or other professional adviser without delay.

The securities offered under this Prospectus are considered speculative

CORPORATE DIRECTORY

MANALTO LIMITED (ABN 88 098 640 352)

Directors

Mr James McKerlie (Chairman)

Mr Gary Cox (Director)

Mr Paul Gardner (Director)

Mr Michael Quinert (Director)

Mr Chris Adams (Director)

Company Secretary

Mrs Lucy Nicolson Rowe

Registered Office

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ASX Code

MTL

Website

www.manalto.com

IMPORTANT NOTICES

This prospectus (**Prospectus**) is dated 20 April 2017. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (**ASX**) nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the Offer early, to extend the Closing Date and/or any other dates, or not to proceed with the Offer described in this Prospectus.

The Offer under this Prospectus close at 5:00 pm Melbourne time on 26 April 2017, which date may change without notice.

This Prospectus is for an offer of continuously quoted securities and accordingly is not required by the Corporations Act 2001 (Cth) (**Act**) to contain all the information normally required to be set out in a document of this type.

The Prospectus incorporates by reference certain information contained in documents lodged with ASIC. A document incorporated in the Prospectus in this manner may be obtained free of charge from the Company during the application period.

No person is authorised to give any information or make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire shares, and observe such restrictions and requirements. Failure to comply with such restrictions may constitute violation of applicable securities laws.

No action has been taken to register or qualify the Offer or the ordinary shares issued under this Prospectus, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent expert advice should be sought before any decision is made to apply for New Shares.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

The securities offered under this Prospectus are considered speculative.

TIMETABLE

Lodgement of Prospectus	20 April 2017
Offer Period opens	20 April 2017
Closing Date	26 April 2017 at 5:00pm Melbourne time

*The above dates should be regarded as **indicative only and may change without notice**. All dates and times are Melbourne, Victoria, Australia time. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company reserves the right to change the above dates or not proceed with the Offer.*

No securities will be issued on the basis of this Prospectus after 19 May 2018, being the expiry date of this Prospectus.

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KEY INVESTMENT RISKS – SUMMARY

Please read and consider this Prospectus in full and in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before making a decision regarding applying for New Shares, exercising existing options or to invest in the Company. In particular, the risks described in Section 5 include risk areas considered specific to the Company that are summarised below.

- The Company is pursuing a proposed acquisition of Bambu Digital Pty Ltd (**Bambu**), an Australian proprietary company which operates a business involving development and sale of software concerned with business management. Further details of the purposed acquisition of Bambu were the subject of the Company's ASX announcement on 20 April 2017. The proposed acquisition is at a preliminary stage and remains subject to satisfaction of various conditions and there is a risk the acquisition of Bambu may be delayed or fail.
- The Company does not have a significant record of activities or performance. It has not generated profits and is reliant on raising capital to fund its activities.
- The markets for both information technology and social media management software are highly competitive. The Company faces potential competition from businesses that are either owned or affiliated with large information technology market players that can pursue aggressive strategies to capture market share. The Company can have little influence or control over the activities or actions of competitors. The potential actions of competitors to capture market share may be detrimental to future revenue and/or profitability, planned growth and the underlying financial condition of the Company. A key risk is that the Company may not maintain differentiation from its competitors. There is potential that the maturation of the market may cause downward pressure on pricing.
- The Company must constantly adapt its social media management software to be compatible with developments in existing social media platforms and the emergence of new social media platforms. The rapid expansion of social media, including the introduction of new social media platforms, creates an environment where unforeseen change occurs quickly, making it difficult for the Company to adapt its services to cope. There is a risk the Company's service may become less effective if it cannot keep up with the progression of the social media market through accommodating changes to existing social media platforms or failing to integrate with new social media platforms.
- Hackers may, without authorisation, infiltrate the Company system to obtain data or insert a cyber-virus or bug to disrupt or affect the Manalto software or otherwise affect systems using the Manalto software. Such action could compromise client data and cause service shutdown, leading to customer dissatisfaction and a loss of goodwill.
- The Company relies on third parties for aspects of the operation and delivery of software, for example, cloud based hosting providers. There is a risk a third party may no longer be capable of providing services or refuse to provide services without increased licence fees or other payment.
- The Company is reliant on the talent and expertise of its personnel. The loss of key personnel, or various other personnel, may adversely affect the operation. There is a further risk that, where development staff with knowledge of the technology and business leave the Company, that knowledge will be lost with their departure. This risk involves departing staff potentially having information in respect of the Company's intellectual property or business which has commercial value to the Company, as well as the costs of replacing departing staff and training new staff.

- A lack of knowledge of information availability may impede or even prevent uptake by businesses of social media management technology. Conversely, large, centrally-controlled businesses with awareness of the need and options for managing a growing social media presence tend to develop a program through internal staff where all decisions are made by head office. The Company primarily targets multi-location/multi-brand organisations, such as franchise businesses, who have a fragmented social media presence and desire a local level of participation in decision making.
- In a dynamic market experiencing considerable growth there is a risk the Company may not establish a meaningful market share or position before its competitors. The ability to effectively market efficient technical solutions to an emerging customer base is just as important for the Company as developing such solutions. The Company needs to employ effective direct and indirect marketing strategies to avoid having a potentially successful product beaten to the market by competitors.
- Although the Company has applied for a provisional patent in respect of its social media management software, a full patent application is yet to be filed. Once filed, there can be no assurance that it will be accepted without variation, or at all. The granting of intellectual property protection, such as a registered patent, does not guarantee rights of other patents are not infringed, that competitors will not develop technology avoiding the patent or that third parties will not seek to claim an interest in the intellectual property to seek commercial benefit from the Company. There is a risk of competition obtaining and sustaining protection of intellectual property, which given its complexity, can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. Furthermore, given the constantly evolving nature of the Company's software products, and the time and cost associated with prosecuting patent protection, the Company's intellectual property strategy will also be reliant on know-how and trade secrets (which are not subject to formal registration) and being first to market with particular software products or solutions.

Even if the Company obtains protection of intellectual property there is no certainty it would be notified of any infringement or be in a financial position to pursue necessary remedial action in the event of a breach. There further can be no assurances that employees, consultants or third parties will not breach confidentiality, or infringe or misappropriate the Company's intellectual property.

- The Company has raised funds (including through the issue of the First Convertible Notes, Second Convertible Notes and First Tranche Placement Shares (defined and described below)) in Australian dollars. It is expected the primary market for Manalto software will be the USA for the short to medium term. This means the Company expenditure and revenue will be primarily received and made in US dollars. Consequently, the Company may be adversely affected by fluctuations in the US dollar and Australian dollar exchange rates, including risks on conversion to US dollars.

In addition to the above specific risks, there are other risks of a more general nature (such as general economic risks and market conditions) that apply to investment in the Company. Please read and consider the risks outlined in Section 5 before making any decision regarding the Offer contained in this Prospectus.

ABOUT THE OFFER - SUMMARY

The following summary provides only a limited overview of the Offer being made by the Company. Further detail is set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding applying for New Shares, exercising existing options or investing in the Company.

Topic	Summary	For more information see:
What is the Offer?	An offer of 1,000 ordinary shares at an issue price of 2 cents (\$0.02) to invitees determined by the Company to apply for and receive New Shares (called the Offer).	Section 1.1
What is the purpose of the Offer?	<p>To facilitate secondary trading of certain ordinary shares issued prior to lodgement of, or which will be issued during the open period of, this Prospectus, in particular:</p> <ul style="list-style-type: none"> • 29,181,250 shares issued on 20 April 2017 following conversion of convertible notes in the Company issued on or before 19 January 2017; • 8,500,000 shares issued on 20 April 2017 to unrelated, professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Act as a fee in connection with their subscription for the Second Convertible Notes (defined and described in Section 2.1); and • 30,500,000 shares issued to unrelated, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Act representing the first tranche of a placement, 24,506,750 shares (\$490,135) of which were issued on 20 April 2017 and the balance of 5,993,250 (\$119,865) are expected to be issued during the open period of this Prospectus. 	Section 2.1
What are the terms of the New Shares?	All New Shares issued pursuant to the Offer will be fully paid ordinary shares that rank equally in all respects with the Company's shares already on issue.	Section 1.1 and Section 9.
What is the offer price?	Each New Share has an issue price of 2 cents (\$0.02).	Section 1.1
Am I eligible to apply for New Shares?	You are only eligible to apply for and receive New Shares under the Offer if you receive a written invitation to apply and a Personalised Application Form from the Company.	Section 1.1
What if I am not invited to participate in the Offer?	If you do not receive a written invitation from the Company to participate in the Offer then you will be unable to apply for and receive New Shares	Section 1.1
How much will be raised by the Offer?	The Offer will raise \$20 (before costs) if fully subscribed.	Section 1.1
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.2

Topic	Summary	For more information see:
Is there a minimum subscription?	There is no minimum subscription amount.	Sections 1.4
Are there risks associated with investment in the Company?	<p>There are risks associated with investment in the Company. These include risks relating to the business activities of the Company and risks associated with financial investment generally.</p> <p>Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before making any decision regarding applying for or acquiring Shares or otherwise making an investment in the Company.</p>	Pages 5-6 and Section 5
How do I accept the Offer?	<p>Only recipients of a written invitation and Personalised Application Form from the Company may apply for New Shares.</p> <p>If you have received a written invitation from the Company to participate, to accept the Offer:</p> <ul style="list-style-type: none"> (a) Pay in accordance with details included in the Personalised Application Form so payment is received by no later than 5.00pm (Melbourne time) on the Closing Date; or (b) complete and return the Personalised Application Form to the Company's registered office together with payment by cheque, bank draft or money order so the form and payment are received by no later than 5.00pm (Melbourne time) on the Closing Date. 	Section 6
What are the taxation implications of participating in the Offer?	Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.	Section 11
How and when will I know if my application was successful?	<p>Holding statements confirming any issue of New Shares are anticipated to be dispatched on 27 April 2017.</p> <p>Anyone who trades New Shares before receiving holding statements does so at their own risk.</p>	Section 6
Where can I find more information about the Company?	For more information on the Company please see the Company's website (www.manalto.com) or refer to the Company's ASX announcements (available on the ASX's website www.asx.com.au).	Section 18
What if I have questions about the Offer or how to apply?	<p>You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for New Shares.</p> <p>Questions concerning the Offer can also be directed to the Company Secretary, Mrs Lucy Rowe, on +61 416 147 076</p>	Section 18

1. Details of the offer

1.1 The Offer

Manalto Limited [ABN 88 098 640 352] (**Manalto** or **the Company**) provides the opportunity to invited investors to apply for up to 1,000 new fully paid shares (**New Shares**) at an issue price of 2 cents (\$0.02) per share to raise \$20 before costs (the **Offer**).

The New Shares are offered only to investors determined by the Company who receive an invitation to participate in the Offer with an accompanying Personalised Application Form.

The Offer closes on 26 April 2017 at 5pm Melbourne time (unless closed early or extended).

1.2 No underwriting

The Offer is not underwritten.

1.3 ASX Listing

The Company will apply to ASX for admission of the New Shares to official quotation within 7 days of the date of this Prospectus. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or those securities.

If ASX does not grant permission for the Official Quotation of the New Shares within 3 months after the date of issue of this Prospectus (or such period as is permitted by the Corporations Act), the Company, in its absolute discretion, will either repay the application monies to Applicants without interest or (subject to necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement Prospectus and allow applicants one month to withdraw their application and be repaid their application monies without interest.

1.4 Minimum subscription

There is no minimum subscription for New Shares under the Offer.

1.5 Issue of New Shares after Closing Date

The Board reserves the right to issue New Shares in response to applications received after the Closing Date.

2. Purpose and effect of the Offer

2.1 Purpose of the Offer and the Prospectus

The purpose of this Prospectus and the Offer made under it is to comply with section 708A(11) of the Corporations Act so that certain ordinary fully paid shares issued prior to the lodgement of, or during to be issued during the open period of, this Prospectus can be offered for sale within 12 months of their issue. Specifically, this Prospectus will facilitate secondary trading of:

- 29,181,250 shares (**Conversion Shares**) issued to professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Act following conversion of convertible notes in the Company issued on or before 20 January 2017 (**First Convertible Notes**) at a conversion price of 4 cents (\$0.04) per share. The Conversion Shares issued represent conversion of all the First Convertible Notes.
- 8,500,000 shares (**Fee Shares**) issued as a fee to unrelated, professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Act in connection with

their subscription for the convertible notes the subject of the Company's announcement on 20 April 2017 (**Second Convertible Notes**).

- 30,500,000 shares (**First Tranche Placement Shares**) issued (or to be issued) at 2 cents (\$0.02) per share (raising \$610,000 before costs) to unrelated, professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Act. The First Tranche Placement Shares were issued under the Company's remaining capacity under Listing Rule 7.1 and 7.1A and the first tranche of a placement of a total of 125,000,000 shares as announced by the Company on 20 April 2017 (the second tranche of 94,500,000 shares is subject to shareholder approval (**Second Tranche Placement Shares**)).

Subject to certain exceptions, section 707(3) of the Corporations Act requires a prospectus be issued for an entity to whom securities were issued without disclosure under Part 6D of the Act to offer those sales within 12 months of issue. One exception to section 707(3) is where an entity issues a notice in accordance with section 708A(5) of the Act. The Company has been suspended from trading on the ASX since 2 February 2017 and, as a result, is precluded from issuing a notice in accordance with section 708A(5) of the Act.

Section 708A(11) of the Corporations Act provides a further exemption from this general requirement of section 707(3) of the Act where:

- (a) the relevant securities are in a class of securities of the Company that are quoted securities of the body;
- (b) a prospectus is lodged with ASIC: (i) on or after the day on which the relevant securities were issued, but before the day on which the sale offer is made; or (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities are issued; and
- (c) the prospectus referred to in (b) is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

This Prospectus has therefore also been prepared to facilitate secondary trading of the Conversion Shares, Fee Shares and First Tranche Placement Shares issued prior to lodgement of, or which will be issued during the open period of, this Prospectus.

2.2 **Capital allocation**

A nominal amount of \$20 will be raised if the Offer is fully subscribed. As noted above, the primary purpose of this Prospectus and the Offer made under it is to facilitate the secondary trading of Conversion Shares, Fee Shares and First Tranche Placement Shares issued prior to lodgement of, or to be issued or during the open period of, this Prospectus.

The Company raised \$1,015,000 through the issue of the First Convertible Notes and \$425,000 through the issue of the Second Convertible Notes. The Company also raised \$610,000 through the issue of the First Tranche Placement Shares (with 24,506,750 shares (\$490,135) issued prior to lodgement of this Prospectus and the balance of 5,993,250 (\$119,865) are expected to be issued during the open period of this Prospectus).

Funds raised through issue of the First Convertible Notes, Second Convertible Notes and First Tranche Placement Shares have (or will) be used to meet the Company's working capital requirements including the satisfaction of the Company's trade creditors.

The estimated anticipated costs of the Offer are as follows:

Particulars	Amount (\$)
Legal, printing and postage	\$6,500
ASIC and ASX Fees	\$2,500
TOTAL	\$9,000

3. Effect of the Offer on the Company

The effect of the Offer will be to:

- facilitate the secondary trading of the Conversion Shares, Fee Shares and First Tranche Placement Shares issued prior to lodgement of, or to be issued during the open period of, this Prospectus as described in Section 2.1;
- allow the Company to comply with certain obligations under the terms of issue of the First Convertible Notes and Second Convertible Notes; and
- alter the capital structure of the Company as described in Section 4.

4. Effect on the Capital Structure of the Company

4.1 Shares, Options and Convertible Notes

Capital Structure

The tables below sets out the existing capital structure of the Company and the effect on the Company's capital structure of issuing the New Shares and the Second Tranche Placement Shares:

SHARES

Existing issued ordinary shares	239,173,632 ¹
New Shares	1,000
Total	239,174,632
Second Tranche Placement Shares	94,500,000
Total upon issue of Second Tranche Placement Shares	333,674,632

Notes to Table:

1 Assumes full completion of the First Tranche Placement Shares, of which 24,506,750 shares (\$490,135) were issued prior to lodgement of this Prospectus and the balance of 5,993,250 (\$119,865) are expected to be issued during the open period of this Prospectus

The Company is proposing to make a number of further issues of shares following close of the Offer, the details of which are set out below:

- *As announced on 20 April 2017, the Company proposes acquiring 100% of the issued capital of Bambu Digital Pty Ltd (**Bambu**) subject to satisfaction of conditions which include mutual due diligence and relevant shareholder and regulatory approval being obtained. In the event the Company proceeds with and completes the proposed acquisition of Bambu, the Company will issue up to a total of 250,000,000 consideration shares to vendors of Bambu – noting that it is intended that 150,000,000 of the consideration shares will be subject to the achievement of milestones.*
- *Conversion of the Second Convertible Notes will result in the issue of a further 12,218,750 fully paid ordinary shares. Conversion of the Second Convertible Notes is subject to shareholder approval being received at the Company's General Meeting proposed to be held in June 2017.*

Notwithstanding the conditional nature of the above issues, in the interests of full disclosure, the table below sets out the Company's capital structure assuming the issue of the above shares is completed:

Total upon issue of Second Tranche Placement Shares	333,674,632
Consideration Shares to Bambu Vendors (assumes milestones are satisfied)	250,000,000
Shares upon conversion of Second Convertible Notes	12,218,750
Total	595,893,382

OPTIONS

Existing Options	Number of options	Expiry Date	Exercise price
Unlisted	25,375,000	19 January 2018	\$0.07
Unlisted	2,250,000	11 March 2018	\$0.25
Unlisted	4,550,000	11 March 2020	\$0.25
Unlisted	5,250,000	19 January 2020	\$0.07
Unlisted	17,719,562	29 February 2020	\$0.20
Unlisted	2,415,500	29 February 2020	\$0.25
Unlisted	1,400,000	15 December 2020	\$0.30

Notes to table:

Pursuant to the terms of the Second Convertible Notes, the Company is to issue 25 options for every \$1.00 of Second Convertible Notes subscribed for, with each option having an exercise price of \$0.07 (7 cents) and expiring 12 months from the date of issue. The issue of options in connection with the Second Convertible Notes is subject to shareholder approval being obtained at the Company's General Meeting proposed to be held in June 2017.

CONVERTIBLE NOTES

Existing Convertible Notes	Number of Convertible Notes	Conversion Price
Second Convertible Notes	425,000	\$0.04

Dilution

The Offer of 1,000 New Shares made under this Prospectus will have a nominal dilutive impact on the holdings of shareholders of the Company.

The capital structure of the Company may, subject to shareholder approval and subject to the completion of the Company's acquisition of Bambu, be diluted. Refer to the notes to the tables in Section 4.1 above for further details on potential future equity issues.

4.2 **Pro-Forma Balance Sheet**

Set out below is the pro-forma Statement of Financial Position of the Company and its controlled entities as at 31 December 2016. The pro-forma Statement of Financial Position has been extracted from the Company's reviewed half-year report for the six months ended 31 December 2016

The pro-forma Statement of Financial Position provided below shows the effect on the Company the Offer and issue of the First Tranche Placement Shares and Second Tranche Placement Shares in combination as if each of those issues had occurred on, or before, 31 December 2016 (and incorporates the adjustments set out in Notes 1 and 2 which have occurred since 31 December 2016)

The Company's financial reports are denominated in US currency. The adjustments and pro-forma information are shown in US dollars for consistency. An exchange rate of US\$1=AU\$0.75 has been used to convert funds received, or to be received,

	Reviewed 31-Dec-16	Subsequent Adjustments	First Tranche Placement	Second Tranche Placement	Unaudited Pro-forma
	US\$	US\$	US\$	US\$	US\$
ASSETS					
Current assets					
Cash and cash equivalents	173,399	452,862	400,826	1,235,612	2,715,561
Trade and other receivables	109,210	-	-	-	109,210
Prepaid expenses	28,716	-	-	-	28,716
Total current assets	311,325	452,862	400,826	1,235,612	2,853,487
Non-current assets					
Deferred tax asset	467,854	-	-	-	467,854
Property, plant and equipment	85,998	-	-	-	85,998
Intangible assets	1,700,919	-	-	-	1,700,919
Total non-current assets	2,254,771	-	-	-	2,254,771
TOTAL ASSETS	2,566,096	452,862	400,826	1,235,612	5,108,258
LIABILITIES					
Current liabilities					
Trade and other payables	442,524	-	-	-	442,524
Short-term borrowings	469,153	485,880	-	-	1,440,912
Short-term provisions	72,958	-	-	-	72,958
Total current liabilities	984,635	485,880	-	-	1,956,394
TOTAL LIABILITIES	984,635	485,880	-	-	1,956,394
NET ASSETS	1,581,461	(33,018)	400,826	1,235,612	3,151,863
EQUITY					
Contributed equity	10,791,423	84,375	457,500	1,417,500	12,835,173
Share option reserve	872,366	-	-	-	872,366
Foreign currency translation reserve	(70,888)	(38,752)	(29,224)	(90,088)	(267,703)
Accumulated losses	(10,011,440)	(78,641)	(27,450)	(91,800)	(10,287,973)
TOTAL EQUITY	1,581,461	(33,018)	400,826	1,235,612	3,151,863

Adjustments and Pro-Forma Transactions

The Pro-Forma Statement of Financial Position has been adjusted to reflect the following post 31 December 2016 and pro-forma adjustments (refer to note above regarding exchange rate):

1. The issue of 2,991,176 ordinary shares as per Appendix 3B announcement on 19 January 2017. 2,250,000 ordinary shares were issued at a deemed share price of A\$0.04 per share as consideration for corporate advisory fees. 741,176 shares were issued at a deemed share price of A\$0.034 per share as consideration for capital raising fee on 840,000 placed unsecured convertible note loans.
2. A total of 647,839 unsecured convertible loan notes were settled post 31 December 2016 to raise a total of US\$452,862 (A\$647,839).

In addition to the post 31 December 2016 adjustments, the Pro-Forma Statement of Financial Position shows the effect of:

3. The issue of the First Tranche Placement Shares raising US\$400,826 (A\$573,400) net of costs. 24,506,750 of the First Tranche Placement Shares were issued prior to lodgement of this Prospectus and the balance of 5,993,250 First Tranche Placement Shares are expected to be issued during the open period of this Prospectus.

4. The issue of the Second Tranche Placement Shares raising US\$1,235,612 (A\$1,767,600) net of costs. As announced on 20 April 2017, the Company has received binding commitments for the Second Tranche Placement Shares however the issue remains subject to shareholder approval to be sought at a general meeting proposed to be held in June 2017.
5. The Pro-Forma Statement of Financial Position does not include any assumptions in relation to the proposed acquisition of Bambu. As announced on 20 April 2017, the Company has signed a Terms Sheet for the proposed acquisition of Bambu which remains subject to a number of conditions including the parties completing due diligence to their mutual satisfaction and the Company obtaining all necessary shareholder and regulatory approvals.

Basis of Preparation Of Pro-Forma Statement of Financial Position

The above pro-forma statement has been prepared in accordance with *ASIC Regulatory Guide 230 Disclosing non-IFRS Financial Information* issued in December 2011.

The pro-forma statement of financial position is based on audited accounts at 31 December 2016 and has been prepared to provide shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company assuming completion of issue of the First Tranche Placement Shares and assuming completion of the Tranche Two Placement Shares. The pro-forma financial information is presented in abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards application to annual financial statements.

5. Risks

The securities offered under this Prospectus are considered speculative. There are various factors, both specific to the Company and general, which may affect the future operating and financial performance of the Company and the value of any investment in the Company.

Some of these factors can be mitigated through safeguards and appropriate commercial action and controls. However, many are outside the control of the Company and therefore cannot be mitigated. There are also general risks associated with share investment. Hence, investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period.

This section describes certain (non-exhaustive) risks associated with investment in the Company. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as all other information contained in this Prospectus.

5.1 Specific Risks

(A) Acquisition Risk

The Company is pursuing a proposed acquisition of Bambu, an Australian proprietary company which operates a business involving development and sale of software concerned with business management. Further details of the proposed acquisition of Bambu were the subject of the Company's ASX announcement on 20 April 2017.

The acquisition by the Company of Bambu is at a preliminary stage and remains conditional upon, amongst other things, completion of mutual due diligence, execution of formal documentation with Bambu vendors, the parties obtaining all necessary shareholder, regulatory and third party approvals and the Company raising not less than \$2,000,000 through the issue of shares to professional, sophisticated and other exempt investors at an issue price

of \$0.02 (2 cents) per share (which condition will be satisfied subject to shareholders approving, and the Company completing, the issue of the Second Tranche Placement Shares).

There is a risk that the conditions may not be satisfied in which case (unless the conditions were waived) the acquisition of Bambu would not proceed. There are also risks associated with implementation of the acquisition including the potential for delays, increased costs, disputes, litigation or a counterparty failing to comply with its obligations under contractual arrangements in which case there can be no assurance the Company would be successful in seeking remedies or enforcement of its rights through legal action.

(B) No significant record of activities, revenue or profits

The Company does not have a significant record of activities or performance. Prior to March 2015 Manalto's business was conducted by Manalto Inc (a US company). Manalto Inc is now a subsidiary of the Company. Manalto Inc commenced its activities in November 2013. Neither Manalto Inc nor the Company generated profits. Revenues have not been sufficient to pay operating and other costs, and there is no certainty that revenues will necessarily increase, costs be reduced or profits be achieved in a foreseeable period or at all. The Company is therefore reliant on its ability to raise capital to fund its operations and expenditure.

(C) Competition Risk

The Company is competing in both the market for information technology and social media management software. Both markets are competitive, with a number of businesses that are owned or affiliated with information technology market players being direct competitors. These businesses have capacity to adopt aggressive strategies to capture market share.

The Company can have little influence or control over the activities or actions of its competitors. Actions by competitors to capture market share may negatively affect future revenue and/or profitability, planned growth and the overall financial condition of the Company.

In this competitive environment the key risk for the Company is that it may not maintain differentiation from its competitors and an appreciable market share. As the market matures there is a risk of downward pressure on pricing. Although the Company seeks to keep its services as a highly scalable, cost effective offering, thereby placing it in a defensive position against potential reductions, it is nonetheless vulnerable to an increase in competition that may lead to a sustained and material drop in price.

(D) Technology Risk

Technology Risk - Industry

The Company must continually adapt its social media management software to be compatible with both developments in existing social media platforms and emerging social media platforms. The rapid growth of social media, in particular the introduction of new social media platforms, creates an environment where unforeseen change can occur quickly, making it difficult for the Company to adapt its services to cope. There is a risk of the Company's services having reduced effectiveness if it is unable to maintain progression with the social media market generally, cannot adapt to accommodate changes in existing social media platforms or cannot integrate with new social media platforms.

Technology Risk - Security

The Company could suffer unauthorised infiltration of its system by hackers to obtain data or insert a cyber-virus or bug. This may disrupt or affect the Manalto software or otherwise affect the system of outlets using Manalto software. Such actions could compromise client data and

cause service shutdown, leading to customer dissatisfaction and loss of goodwill. The Company, and the service providers on which it relies to provide cloud-based infrastructure, employ practices to protect its systems from being compromised. Further processes are in place to reduce the prospect of a cyber-virus or bug being introduced to the Company's services and these processes are regularly reviewed for improvement. The Company works with its cloud-based hosting service to ensure daily backups are made of client data, ensuring capability of retrieval within one (1) to two (2) days if required.

Technology Risk – Third Party Reliance

To some extent, the Company relies on third parties for key aspects of operation and delivery of its software. There is risk a third party may no longer be capable of providing services, or refused to provide services without increased license fees or other payments. The Company's strategy is to avoid dependence on singular third party technology by, where possible, using standardised open source or royalty-free tools and libraries. The Company intends to evolve its platform so that the loss of a third party service provider would not create a significant impact or it would be in a position to use an alternative service provider.

(E) Personnel

The Company is dependent on the talent and expertise of its personnel. The loss of key personnel, or various general personnel, may adversely affect the Company's service. There is also a risk that, where there is turnover of development staff with knowledge of the technology and business, that knowledge will be lost upon their departure. This involves the risk that those staff who leave have information of the Company's intellectual property or business which has a commercial value to the Company. There are further costs of replacing staff who leave and training new staff.

The Company seeks to mitigate these risks by maintaining remuneration arrangements and good relationships with key personnel. In addition, employment contracts used by the Company contain provisions with respect to intellectual property and confidentiality, limiting potential losses resulting from departure of key personnel. Further, although Manalto software will continue to develop, the initial substantive development work has been completed and, accordingly, loss of key development staff would have less impact than if the Company were in the early phases of software development.

(F) Market Risk

The social media management sector in which the Company operates is a relatively undeveloped market. As such, it is difficult to ascertain or gauge the level of knowledge and confidence in the market or its size and growth potential. A lack of knowledge or information availability may impede or even prevent business uptake of social media management technology. Conversely, large centrally controlled businesses who are aware of the need and options for managing a growing social media presence tend to adopt an internally developed capacity, with decisions and actions being made at head office. The Company primarily targets multi location and/or multi brand organisations, such as franchise businesses, who have a fragmented social media presence and desire for local participation in decision making.

There is risk in a fast growing and dynamic market that the Company may not be able to establish a meaningful market share prior to its competitors. It is just as important to market effectively to an emerging customer base before competitors as it is to provide an efficient technical solution. The Company needs to employ effective direct and indirect marketing strategies to avoid having a potentially successful product beaten to the market by more efficient competitor marketing.

(G) Intellectual property risk

Although the Company has applied for a provisional patent in respect of its social media management software, a full patent application is yet to be filed and, once filed, there can be no assurance it will be accepted without variation, or at all. Furthermore, the granting of intellectual property protection, such as a registered patent, does not guarantee that the rights of others are not infringed, that competitors will not develop technology to avoid the patent or that third parties will not seek to claim an interest in the intellectual property, with a view of seeking commercial benefit from the Company. There is also risk of competition in obtaining and sustaining protection of intellectual property, which given its complex nature, can lead to expensive and lengthy dispute where the outcome is not guaranteed. Even if the Company obtains protection of intellectual property through patents, there is no certainty it would be notified of infringement or be in a financial position to pursue necessary remedial action in the event of a breach. Furthermore, given the constantly evolving nature of the Company's software products, and the time and cost associated with prosecuting patent protection, the Company's intellectual property strategy will also be reliant on know-how and trade secrets (which are not subject to formal registration) and being first to market with particular software products or solutions.

There can be no assurance that employees, consultants or third parties will not breach confidentiality, infringe or misappropriate the Company's intellectual property. The Company seeks to mitigate the risk of unauthorised use of its intellectual property by limiting disclosure of sensitive material to particular employees, consultants, and others on a need-to-know basis. Where appropriate, parties with potential access to such sensitive material will be required to provide written commitments as to confidentiality and ownership of intellectual property.

(H) Currency risk

The Company has raised funds (including through the issue of the First Convertible Notes, Second Convertible Notes and First Tranche Placement Shares) in Australian dollars. In the short to medium term it is expected that the primary market for Manalto software will be the United States of America. Therefore, the Company's expenditure and revenue will predominantly be received and made in US dollars. As a result, the Company may be adversely affected by fluctuations in the US dollar and Australian dollar exchange rates, including risks on conversion of funds received to US dollars.

5.2 General Risks(A) Additional Requirements for Capital

Depending on the ability of the Company to generate revenue from its operations, the Company may require further financing in addition to amounts raised through the issue of the First Convertible Notes, Second Convertible Notes and the Share Placement. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company cannot obtain additional financing as needed, it may be required to reduce scope of operations.

(B) Litigation risks

The Company is exposed to possible litigation risk including contractual disputes, occupational health and safety claims and employee claims. The Company may be involved in disputes with other parties in the future, potentially resulting in litigation. Any such claim or dispute, if proven, may adversely impact the Company's operations, financial performance and financial position.

(C) Liquidity

There can be no assurance there will be, or continue to be, an active market for shares or that the price of shares will increase.

(D) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may adversely affect the Company's activities, as well as its ability to fund those activities. Further, share market conditions may affect the value of Company securities regardless of the Company's operating performance. Share market conditions are affected by many factors, such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(E) Taxation

There may be tax implications arising from applications for New Shares, the receipt of dividends both franked and unfranked (if any) from the Company, participation in any on-market buy-back and on the future disposal of New Shares.

5.3 Investment speculative

The above risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or its Manalto software business, or by investors in the Company. The above risk factors, and others not specifically referred to above, may materially affect the future financial performance of Company and the value of securities offered under this Prospectus.

The shares to be issued pursuant to this Prospectus carry no guarantee with respect to payment of dividends, returns of capital or market value. The company does not expect to declare any dividends in the short to medium term.

Potential investors should consider investment in the Company as highly speculative and consult their professional advisers before deciding whether to apply for New Shares offered under the Prospectus.

6. Acceptance Instructions**6.1 Completing an application form**

Any applications for New Shares under the Offer contained within this Prospectus must be made on the Personalised Application Form which will be provided to invitees and will accompany this Prospectus in accordance with the instructions set out in the form. Payment must be made in accordance with the instructions set out in the form.

Prior to lodging a completed Personalised Application Form, ensure you have read this Prospectus and the Personalised Application Form in their entirety and seek professional advice if necessary.

An application for New Shares or payment may not be effective if received after the time specified in the Personalised Application Form on the Closing Date (or by such later time or date as the Company may specify), in which case no New Shares would be issued to you in respect of your application and any payment received will be refunded to you after the date of allotment in accordance with the Corporations Act, without interest.

The amount payable will be deemed not to have been received until receipt of cleared funds. Payments in cash will not be accepted.

If payment received is insufficient to pay in full for the number of New Shares you have applied for you may be taken to have applied for such whole number of New Shares which is covered in full by your payment or your application may be rejected (without prejudice to any rights of the Company to recover unpaid sums).

If payment exceeds the number of New Shares applied for you will be taken to have applied for the number of shares outlined on the completed Personalised Application Form that you lodge. In the case of overpayment, the difference between the amount paid and cost of the New Shares issued will be refunded to you without interest after the date of allotment in accordance with the Corporations Act.

You should be aware that your financial institution may implement earlier cut off times with regards to electronic payments, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid by electronic transfers. It is your responsibility to check that the amount you wish to pay does not exceed your limit. The Company accept no responsibility for unsuccessful, delayed or incomplete transfers or payments.

To apply for New Shares you should:

- read this Prospectus and the Personalised Application Form which will be provided to invitees in their entirety and seek appropriate professional advice if necessary; and
- complete the Personalised Application Form which (instructions for completing and returning the Personalised Application Form are set out on the form); and
- return the completed Personalised Application Form and pay the applicable amount (being the offer price of 2 cents (\$0.02) per New Share multiplied by the number of New Shares for which you are applying) in accordance with the instructions in the Personalised Application Form so that it is received by no later than the time specified in the Personalised Application Form on the Closing Date, or such later date as the Company may specify. The Company accept no responsibility for delayed or misdelivered application forms or payments.

Cheques should be made payable to “Manalto Limited” and crossed “Not Negotiable”. Cheques must be payable in Australian dollars, drawn on an Australian branch of an Australian bank.

6.2 **Further Information**

If you have any questions about the Offer please contact Lucy Rowe, the Company Secretary, on +61 416 147 076. Alternatively, contact your stockbroker or other professional adviser.

The issue of any New Shares is expected to occur after the Offer has closed on or before the dates set out in the timetable on page 4 of this Prospectus (which date may change without notice). Thereafter statements of holdings relating to any issued New Shares will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in New Shares. Recipients trading New Shares before they receive their statements do so at their own risk.

If your Personalised Application Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat a form as valid and how to construe, amend or complete the form is final. The Company accepts no responsibility for failure by your stockbroker or other third parties to carry out your instructions.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether governmental or other consent are required or whether formalities need to be observed for them to acquire New Shares. Return of a Personalised Application Form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigations and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire New Shares or other securities of the Company.

7. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and that other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and

- the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the Prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company seeks and engages in discussions on an ongoing basis in respect of potential new investment opportunities both in Australia and overseas, which discussions have led to the proposed acquisition of Bambu. While the Company continues to seek and negotiate potential investment opportunities in this respect, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur.

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective web sites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the application period of this Prospectus. Such documents are also available on-line from the ASX web site.

- The annual financial report of the Company for the financial year ended 30 June 2016 (lodged with ASIC on 30 September 2016), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC;
- The Interim Financial Report of the Company for the half year ended 31 December 2016 (lodged with ASX on 28 February 2017); and
- Any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (a) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in Section 8 of this Prospectus.

8. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 30 June 2016 with ASIC:

Date	Headline
20 April 2017	Appendix 3B and LR3.10.5A Information
20 April 2017	\$2.5m Placement and Proposed Acquisition of Bambu Digital
18/04/2017	Final Director's Interest Notice
07/04/2017	Managing Director Resigns to Continue in an Advisory Role
24/03/2017	Appendix 3B – Release of Securities from Escrow
20/03/2017	Release of Securities from Escrow
28/02/2017	Appendix 4D – Half Yearly Report
06/02/2017	Suspension from Official Quotation
02/02/2017	Trading Halt Request
02/02/2017	Trading Halt
31/01/2017	Appendix 4C – quarterly
27/01/2017	Appendix 3Y – Paul Gardner
27/01/2017	Appendix 3Y – Gary Cox
27/01/2017	Appendix 3Y – Michael Quinert
27/01/2017	Appendix 3Y – James McKerlie

27/01/2017	Appendix 3Y – Anthony Owen
19/01/2017	Executive Changes
19/01/2017	Appendix 3B and Section 708A Cleansing Notice
12/01/2017	Shareholder Update
09/01/2017	Manalto Signs Agreement with US Home Service Franchise
20/12/2016	Constitution
19/12/2016	Results of Extraordinary General Meeting
19/12/2016	Manalto Signs Agreement with Travel Counsellors Australia
30/11/2016	Manalto Certified for Ingram Micro Launch
21/11/2016	Soshlr Launches with Microsoft Office 365
18/11/2016	Appendix 3B and Section 708A Cleansing Notice
18/11/2016	Notice of Extraordinary General Meeting/Proxy Form
17/11/2016	Appendix 3X – Mr Gary Cox
17/11/2016	Appendix 3X – Mr Paul Gardner
15/11/2016	Results of 2016 AGM
15/11/2016	Chairman's address 2016 Annual General Meeting
14/11/2016	Mr Paul Gardner Joins Manalto Board of Directors
14/11/2016	Mr Gary Cox Joins Manalto Board of Directors
02/11/2016	Additional AGM Resolution and Addendum to Notice of Meeting
01/11/2016	Appendix 3Z – Mr Joseph Miller
01/11/2016	Appendix 3X – Mr James McKerlie
31/10/2016	Appendix 4C – quarterly
28/10/2016	Manalto Appoints New Chair
25/10/2016	Investor Overview
14/10/2016	Notice of Annual General Meeting/Proxy Form
11/10/2016	Cancellation of Unlisted Options
05/10/2016	Soshlr Signs Reseller Agreement with INFINIT Consulting
29/09/2016	Appendix 4G
29/09/2016	Annual Report to Shareholders

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, www.asx.com.au under the Company's ASX code "MTL" and copies of announcements can be obtained from the Company upon request and are available on the Company's website www.manalto.com. Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

9. Terms of securities offered

The New Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as the existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the Listing Rules of ASX and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution

contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge.

The Offer of New Shares under this Prospectus and any application concerning the issue of New Shares under this Prospectus shall be governed and construed in accordance with the laws in the State of Victoria, Australia.

10. Director's interests

10.1 Securities

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus and the effect of the Offer on the direct and indirect share holdings of Directors are set out in the following table that assumes full subscription of the Offer.

SHARES & OPTIONS

Director/Shareholder (and/or associate(s))	Existing Shares		Existing Options
	Number	%	
Michael Quinert	715,000	0.30%	1,750,000
James McKerlie	2,875,000	1.20%	4,000,000
Paul Gardner	718,750	0.30%	1,375,000
Gary Cox	862,500	0.36%	1,500,000
Chris Adams	40,000	0.01%	500,000
TOTAL:	5,171,250	2.16%	9,125,000

Note to Table:

- The Directors will not participate in the Offer.
- The above table does not take into account the issue of consideration shares to Bambu vendors, the issue Second Tranche Placement Shares or shares upon conversion of Second Convertible Notes as set out in section 4.1 above.
- Percentages assume completion of the issue of the First Tranche Placement Shares. 24,506,750 of the First Tranche Placement Shares were issued prior to lodgement of this Prospectus and the balance of 5,993,250 First Tranche Placement Shares are expected to be issued during the open period of this Prospectus.

10.2 Remuneration & Payments to Directors

Fees and other remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company.

Details of the remuneration or agreed to be paid to Directors in the two years prior to the lodgement of this Prospectus (excluding GST if applicable) are as follows:

Director	May 2015 to April 2016 US\$	May 2016 to April 2017 US\$
Michael Quinert	\$13,125	\$11,250 ¹

Director	May 2015 to April 2016 US\$	May 2016 to April 2017 US\$
James McKerlie	Not applicable	\$78,019 ²
Paul Gardner	Not applicable	\$28,290 ³
Gary Cox	Not applicable	\$21,156 ⁴
Chris Adams	\$60,903	\$11,250 ⁵

¹ Manalto Ltd has a balance of US\$5,625 payable to Michael Quinert for Director Fees.

² Manalto Ltd has a balance of US\$63,647 payable to James McKerlie for Director Fees.

³ Manalto Ltd has a balance of US\$28,290 payable to Paul Gardner for Director Fees.

⁴ Manalto Ltd has a balance of US\$21,156 payable to Gary Cox for Director Fees.

⁵ Manalto Ltd has a balance of US\$6,563 payable to Chris Adams for Director Fees.

In addition to the above, in the past 2 years Quinert Rodda and Associates Pty Ltd [ACN 137 818 985], a company of which Mr Quinert is a Director and of which a company associated with him is a shareholder, has received fees and disbursements for provision of legal services to the Company totalling US\$57,982 plus GST. Currently, US\$24,005 of these fees and disbursements are payable by Manalto Ltd to Quinert Rodda and Associates Pty Ltd. In addition, anticipated fees of approximately US\$3,000 plus GST in connection with the Offer including this Prospectus and accrued unbilled fees of approximately US\$15,000 plus GST will be payable to Quinert Rodda and Associates Pty Ltd.

Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.
- (b) no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:
 - the formation or promotion of the Company; or
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
 - the Offer.

11. Taxation

Recipients of the Offer should seek and obtain their own taxation advice before applying for New Shares so that they may first satisfy themselves of any taxation implications associated with acquiring New Shares.

12. Overseas Shareholders

This Prospectus and any application form do not constitute an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons outside Australia who comes into possession of this

Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or the Offer or otherwise to permit a public offering of the securities in any jurisdiction outside Australia.

The Offer has not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to persons resident in the United States of America.

13. Privacy

Personal information is collected on application forms by the Company and the Share Registrar for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registrar, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registrar's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

14. Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www.asx.com.au and via the Company's website at www.manalto.com.

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting Mrs Lucy Rowe, the Company Secretary, on +61 416 147 076.

Applications may only be made on the Personalised Application Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a print out of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person a Personalised Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

15. Investment Decisions

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the offer of shares pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

16. Future Performance

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment through applying for and receiving shares under the Offer made by this Prospectus should be considered speculative.

17. Consents

Quinert Rodda and Associates Pty Ltd has given its written consent to being named as legal advisor of the Company in the Prospectus. Quinert Rodda and Associates Pty Ltd has not withdrawn its consent prior to lodgment of this Prospectus with ASIC.

18. Enquiries

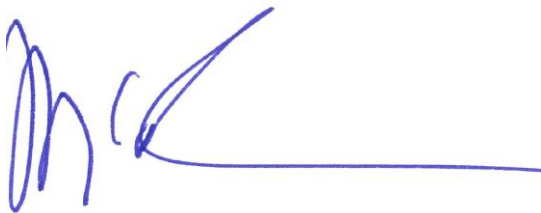
If you have any questions regarding the content of this Prospectus or how to complete the Personalised Application Form, you should contact your stockbroker, accountant or independent professional financial adviser prior to accepting the Offer.

Any questions concerning the Offer should be directed to Mrs Lucy Rowe, Company Secretary on +61 416 147 076.

No person is authorised to give information or make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.

A handwritten signature in blue ink, appearing to be 'J McKerlie', with a long horizontal line extending to the right.

James McKerlie
Managing Director