

MANALTO LIMITED [ACN 098 640 352]

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

TIME: 10.00am (Melbourne time)

DATE: Tuesday, 15 November 2016

PLACE: The Offices of Henslow Pty Ltd, Level 8, 446 Collins St, Melbourne VIC 3000

**NOTICE OF ANNUAL GENERAL MEETING
MANALTO LIMITED [ACN 098 640 352]**

Notice is given that the Annual General Meeting (**Meeting**) of Manalto Limited [ACN 098 640 352] (**Company** or **MTL**) will be held at 10.00am (Melbourne time) on Tuesday, 15 November 2016 at the Offices of Henslow Pty Ltd, Level 8, 446 Collins St, Melbourne VIC 3000.

Each of the resolutions proposed to be put to shareholders at the Meeting are set out in this Notice of Annual General Meeting (**Notice**) and further details regarding those resolutions are set out in the Explanatory Memorandum accompanying this Notice. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and form part of, this Notice.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that persons eligible to vote at the Meeting are those who are registered shareholders of the Company at 7.00pm (Melbourne time) on Sunday, 13 November 2016.

ORDINARY BUSINESS

2016 ANNUAL FINANCIAL STATEMENTS

To lay before the Meeting and consider the Annual Financial Statements of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

RESOLUTION 1: NON-BINDING RESOLUTION – REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

“That the Company approve the adoption of the Remuneration Report, included within the Directors' Report, for the year ended 30 June 2016.”

VOTING EXCLUSION

The Company will disregard any votes cast in relation to this Resolution by or on behalf of the key management personnel, which includes the Directors and executives of the Company whose remuneration is included in the Remuneration Report and their closely related parties (such as close family members and any controlled companies of those persons) (**Excluded Persons**). However, the Company need not disregard a vote if:

- it is cast by an Excluded Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2: RE-ELECTION OF DIRECTOR - MR JOSEPH MILLER

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Joseph Miller, who retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

RESOLUTION 3: RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 7.4, shareholders ratify the prior issue of 20,199,996 fully paid ordinary shares to participants in a placement to professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth), by Lead Manager Bell Potter Securities Limited at an issue price of \$0.07 (7 cents) per share, as described in the Explanatory Memorandum which accompanies and forms part of this Notice.”

VOTING EXCLUSION

The Company will disregard any votes cast on this Resolution by:

- persons who participated in the issue; or
- any associates of those persons.

However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 4: APPROVAL TO ISSUE SHARES TO ECA VENTURES

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 1,428,571 fully paid ordinary shares to ECA Ventures LLC, a company associated with a Director of the Company, Mr Joseph Miller, as a participant in the share placement announced to ASX on 23 May 2016 at an issue price of \$0.07 (7 cents) per share, as described in the Explanatory Memorandum which accompanies and forms part of this Notice.”

VOTING EXCLUSION

The Company will disregard any votes cast on this Resolution by Joseph Miller and any of his associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF SHARES TO GENERATION CO PTY LIMITED

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 7.4, shareholders ratify the prior issue of 789,474 fully paid ordinary shares to Generation Co Pty Limited on the terms set out in the Explanatory Memorandum which accompanies and forms part of this Notice.”

VOTING EXCLUSION

The Company will disregard any votes cast on this Resolution by:

- persons who participated in the issue; or
- any associates of those persons.

However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

RESOLUTION 6: APPROVAL FOR PLACEMENT FACILITY

To consider, and if thought fit, pass the following resolution as a **special resolution**:

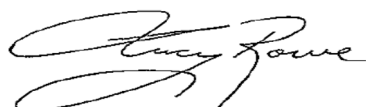
“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, shareholders approve the Company having the capacity to issue equity securities in the capital of the Company up to the maximum number permitted by ASX Listing Rule 7.1A at an issue price which is not less than the minimum issue price calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.3 and on the terms and conditions described in the Explanatory Memorandum of this Notice.”

VOTING EXCLUSION

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on Resolution 6 by a person who may participate in the 10% placement issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed), and any associates of those persons. However, the Company need not disregard a vote cast on this Resolution if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated: 14 October 2016

By Order of the Board of Directors of Manalto Limited

A handwritten signature in black ink, appearing to read 'Lucy Rowe', with a stylized, flowing script.

Lucy Rowe
Company Secretary
Manalto Limited

The accompanying Explanatory Memorandum and Proxy and Voting Instructions form part of this Notice.

PROXY AND VOTING INSTRUCTIONS

PROXY INSTRUCTIONS

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be received by the Company by 10.00am Melbourne time on Sunday, 13 November 2016:

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out below and on the Proxy Form.

To vote by proxy, the completed enclosed Proxy Form must be lodged either:

- (a) via mail to Computershare Limited GPO Box 242, Melbourne VIC 3001;
- (b) by hand to Computershare Limited at Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067;
- (c) by fax to (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555
- (d) online at <http://www.investorvote.com.au>.
- (e) online at <http://www.intermediaryonline.com> (for intermediary online users online)

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act 2001 (Cth). A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the Meeting (Chair) as your proxy.

A proxy form is attached to this Notice.

HOW THE CHAIRMAN WILL VOTE UNDIRECTED PROXIES

The Chair of the meeting intends to vote undirected proxies on, and in favour of, all of the proposed resolutions.

UNDIRECTED PROXIES ON RESOLUTION 1

The *Corporations Act 2011* (Cth) (as amended), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (and/or voting undirected proxies) on, amongst other things, remuneration matters. Resolution 1 is connected with the remuneration of Key Management Personnel of the Company.

However, the Chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the Chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. The Chair may not vote undirected proxies cast on behalf of Key Management Personnel or their Closely Related Parties on Resolution 1.

If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolution 1. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolution 1 (unless you are a member of the Key Management Personnel or a Closely Related Party, in which case your vote can not be cast on Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

Subject to the above, if you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

CORPORATE REPRESENTATIVES

Any corporation which is a member of the Company may appoint a proxy, as set out above, or authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the constitution of the Company. Attorneys are requested to bring the original or a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required for corporate representatives and attorneys.

VOTING ENTITLEMENT

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7.00pm (Melbourne, time) on Sunday, 13 November 2016 are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

SPECIAL RESOLUTION

For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution. Resolutions 6 is a special resolution.

MANALTO LIMITED [ACN 098 640 352]

**2016 ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM**

PURPOSE OF INFORMATION

This Explanatory Memorandum (**Memorandum**) accompanies and forms part of the Company's Notice of Annual General Meeting (**Notice**). The Notice incorporates, and should be read together with, this Memorandum.

BUSINESS OF THE MEETING

2016 ANNUAL FINANCIAL STATEMENTS

Section 317 of the Corporations Act 2001 (Cth) (**Corporations Act**) requires each of the Annual Financial Report (which includes the Annual Financial Statements and Directors' Declaration), the Directors Report, Remuneration Report and the Auditor's Report for the last financial year to be laid before the Annual General Meeting (**Meeting**). The Company's Constitution also provides for these reports to be received and considered at that meeting. There is no requirement for these reports to be formally approved by shareholders.

Shareholders attending the Meeting will have the opportunity to put questions to the Board and make comments on matters contained in that Annual Financial Report and the management of the Company. A representative of the Company's Auditor will be invited to attend to answer questions about the audit of the Company's Annual Financial Statements.

The reports referred to in the Notice are included in the 2016 Annual Financial Report, which at their election, has been made available to all shareholders on-line or by post. If you have not elected to receive a hard copy of the Company's 2016 Annual Financial Report and wish to access it online, it is available at the Company's website www.manalto.com.

No resolution is required to be moved in respect of this item.

RESOLUTION 1: NON-BINDING RESOLUTION – REMUNERATION REPORT

The Company is required pursuant to the Corporations Act to propose a non-binding resolution regarding the 2016 Remuneration Report, which forms part of the Directors' Report in the 2016 Annual Financial Statements. The vote is advisory only and does not bind the Directors or the Company.

Shareholders attending the Meeting will have the opportunity to discuss and put questions in respect of the Remuneration Report, and shareholders will be asked to vote on a non-binding resolution to adopt the Remuneration Report.

This resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings (**AGMs**) (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2015 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more at the same resolution at the 2017 AGM the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, Directors and other member of the key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of the key management personnel must not vote on Resolution 1 and must not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or unless the proxy is the chair of the meeting and the chair is authorised to vote undirected proxies on Resolution 1. In accordance with the Proxy and Voting Instructions contained in the Notice.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the Proxy Form.

RESOLUTION 2: RE-ELECTION OF DIRECTOR - MR JOSEPH MILLER

Pursuant to the Constitution of the Company one-third of the Directors, or if their number is not a multiple of three, the number nearest to one-third (but excluding the Managing Director) are required to retire by rotation at each AGM. A director who retires in accordance with these provisions is eligible for re-election. Accordingly, one Director is required to retire by rotation at the 2016 AGM.

Resolution 3 is a resolution for the election of Mr Joseph Miller a director who retires by rotation and is standing for re-election. Mr Miller was appointed as a Director of the Company on 11 March 2015.

Mr Miller has been a Managing Director at Europlay Capital Advisors, LLC and its subsidiaries ("ECA") since 2003. ECA is a Los Angeles based boutique merchant bank and financial advisory firm that invests in, and provides services to companies in the technology, media, telecom, life sciences and consumer sectors. ECA's investments have included such notable companies as Skype, Rdio, FlashFunders, FanDuel and Red Bull Global Rallycross. Mr Miller currently serves on the board of several companies including Covata (ASX: CVT), Manalto, FlashFunders and Red Bull Global Rallycross. In the past, he has also served on the board of Talon International, Multigig and Unicorn Media, as well as on the Compensation and Audit Committees of Skype Global, prior to its sale to Microsoft.

Mr Miller, having retired by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

RESOLUTION 3: RATIFICATION OF PRIOR ISSUE OF SHARES

Resolution 3 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 20,199,996 fully paid ordinary shares to unrelated professional, sophisticated and other exempt investors who did not require disclosure under the requirements of Chapter 6D of the Corporations Act, under a placement by Lead Manager Bell Potter Securities Limited. The shares were the subject of appendix 3B's lodged 27 May 2016 and 1 August 2016.

5,641,680 of the fully paid ordinary shares the subject of Resolution 3 were issued without shareholder approval under ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of that twelve (12) month period.

14,558,316 of the fully paid ordinary shares the subject of Resolution 3 were issued without shareholder approval under ASX Listing Rule 7.1A. ASX Listing Rule 7.1A provides a further placement capacity of up to 10% for certain companies who obtain approval for that additional capacity at their annual general meeting. The Company obtained approval for the additional placement capacity at its annual general meeting on 17 November 2015.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rules 7.1 and 7.1A (provided that the previous issue of securities did not breach those rules) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rules 7.1 and 7.1A. The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1 and 7.1A.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued was 20,199,996 fully paid ordinary shares. 5,641,680 shares were issued under ASX Listing Rule 7.1 and 14,558,316 shares were issued under ASX Listing Rule 7.1A.
- (b) The shares were issued at \$0.07 (7 cents) each.
- (c) The shares are fully paid ordinary shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary shares.
- (d) The shares were issued by way of a placement by Lead Manager Bell Potter Securities Limited, to unrelated professional, sophisticated and other exempt investors who did not require disclosure under Chapter 6D of the Corporations Act.
- (e) A voting exclusion statement is contained in the Notice accompanying this Memorandum.
- (f) Funds raised from the issue of the shares have been and are to be applied to the continuing day to day operations of the Company as working capital including payment of employee wages, operating costs and sales and marketing expenses.

RESOLUTION 4: APPROVAL TO ISSUE SHARES TO ECA VENTURES

Resolution 4 seeks shareholder approval pursuant to ASX Listing Rule 10.11 to issue fully paid ordinary shares to ECA Ventures LLC at an issue price of \$0.07 (7 cents) per share. Mr Miller has a relevant interest in the shares held by ECA Ventures LLC as a result of the deeming provisions set out in the Corporations Act 2001 (Cth). The proposed issue of shares to ECA Ventures LLC was set out in the Company's announcement on 27 May 2016.

If Resolution 4 is passed, it will permit ECA Venture LLC to subscribe for and receive 1,428,571 fully paid ordinary shares from the share placement conducted by the Company, the subject of an announcement made by the Company on 23 May 2016.

The current number of shares in which Mr Joseph Miller (and/or his associates) have a relevant interest is set out in the table below:

Director	Shares (direct or indirect, or held by associates)	Percentage of total existing shares (including escrowed shares)
Joseph Miller	13,961,731	8.38%

It is anticipated that, if Resolution 4 is passed, ECA Ventures LLC will be issued a total of 1,428,571 fully paid ordinary shares in the Company at an issue price of \$0.07 (7 cents) per share for total consideration of \$100,000. The number of shares in which Mr Miller and his associates will have a relevant interest following the issue is set out in the table below:

Director	Shares (direct or indirect, or held by associates)	Percentage of total existing shares (including escrowed shares)
Joseph Miller	15,390,302	9.16%

ASX Listing Rules

Listing Rule 10.11 requires a company to obtain the approval of shareholders for issuing shares to a related party of the company or an entity controlled by a Director or which is otherwise a related party of the company.

Listing Rule 7.1 requires the prior approval of shareholders in a general meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12-month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under Listing Rule 10.11. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 and the Company retains its 15% annual placement capacity under Listing Rule 7.1.

Corporations Act 2001 (Cth)

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a "related party" unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of the financial benefit to the related party.

Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given on arm's length terms, that is on terms that:

- (a) Would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) Are less favourable to a related party than the terms referred to in paragraph (a).

The Company considers the proposed issue of securities the subject of Resolution 4 will be on arm's length terms and, as such, falls within the exception set out in section 210 of the Corporations Act. The Company has reached this view as the shares to be subscribed for by ECA Venture LLC are on identical terms to those offers under the share placement to sophisticated, professional and other exempt investors (as set out in the Appendix 3B lodged 27 May 2016), whom are arm's length investors in the Company.

The Listing Rules do not contain a similar exception. The Company is therefore seeking approval under Listing Rule 10.11 notwithstanding the proposed issue being on arm's length terms.

Specific information

Pursuant to and in accordance with Listing Rule 10.11, the following information is provided in relation to the proposed issue the subject of Resolution 4:

- (a) Mr Joseph Miller has a relevant interest in the shares held by ECA Ventures LLC as a result of the deeming provisions set out in the Corporation Act 2001 (Cth).
- (b) The maximum number of securities to be issued will be 1,428,571 fully paid ordinary shares.
- (c) The shares are to be issued no later than 1 month after the date of the Meeting (or such later date permitted by any ASX waiver or modification to the Listing Rules).
- (d) The issue prices of the shares will be \$0.07 (7 cents) each.
- (e) The shares to be issued are fully paid ordinary shares in the Company having the same terms and rights as, and will rank equally with, the Company's existing listed fully paid ordinary shares. The Company will apply to ASX for admission of the shares to quotation on ASX.
- (f) A voting exclusion statement is contained in the Notice accompanying this Memorandum.
- (g) Funds raised by the issue of the shares are to be applied to the continuing day to day operations of the Company as working capital including payment of employee wages, operating costs and sales and marketing expenses.

RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF SHARES TO GENERATION CO PTY LIMITED

Resolution 5 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 789,474 fully paid ordinary shares to Generation Co Pty Limited [ACN 141 779 893] (**Generation Co**) which is not a related party of the Company. The shares were issued as part-consideration for the purchase by the Company of the Hearis Social Media Management Platform as announced on 1 August 2016. The shares were the subject of an appendix 3B lodged 1 August 2016.

The shares the subject of Resolution 5 were issued without shareholder approval under ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of that twelve (12) month period.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rules 7.1 (provided that the previous issue of securities did not breach those rules) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rules 7.1. The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued was 789,474 fully paid ordinary shares.
- (b) There was no issue price. The shares were issued as part-consideration for the purchase by the Company of the Hearis Social Media Management Platform as announced on 1 August 2016. The shares had a deemed issue price of \$0.57 (57 cents) per share.
- (c) The shares are fully paid ordinary shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary shares.
- (d) The shares were issued to Generation Co who is not a related party of the Company.
- (e) A voting exclusion statement is contained in the Notice accompanying this Memorandum.
- (f) No funds were raised from the issue of the shares.

RESOLUTION 6: APPROVAL FOR PLACEMENT FACILITY

GENERAL

ASX has introduced fund raising rules to provide more flexibility for smaller companies to raise additional capital in an easier and potentially less costly manner. ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12-month period after an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to a company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of the Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility. The exact number of equity securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer below). The Company may use funds raised from any 10% Placement Facility for funding of existing projects or new projects and/or general working capital. It may also use the 10% Placement Facility for non-cash consideration purposes such as in connection with joint venture agreements or arrangements, as payments to consultants or contractors or in connection with the acquisition of new projects (although the Company presently has no current proposal to do so).

The Company has previously obtained shareholder approval to make issues under ASX Listing Rule 7.1A at its 2015 AGM and seeks to refresh this shareholder approval so as to continue to be able to make issues under the 10% Placement Facility after the 2016 AGM in accordance with ASX Listing Rule 7.1A.

The Company issued 14,558,316 ordinary fully paid shares under the capacity available to it under Listing Rule 7.1A pursuant to approval obtained at its 2015 AGM. Ratification of the issue of these shares is the subject of a resolution before shareholders at this Meeting

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

DESCRIPTION OF LISTING RULE 7.1A

- **Shareholder approval**

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

- **Equity securities**

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has one class of quoted equity securities, ordinary shares (**MTL**).

- **Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may, during the 10% Placement Period (defined in section 2(f) below), issue a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

where:

A is the number of shares on issue 12 months before the date of the issue or agreement to issue:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;*
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;*
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;*
- (iv) less the number of fully paid shares cancelled in the 12 months.*

Note: "A" is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

- **ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

The ability of an entity to issue equity securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

As at the date of this Memorandum, the Company has on issue 166,572,635 ordinary shares and therefore would have capacity to issue:

- (i) 24,985,895 ordinary shares under Listing Rule 7.1 (15% capacity); and*
- (ii) Subject to shareholders approving this resolution 6, 16,657,263 ordinary shares under Listing Rule 7.1A (10% capacity).*

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer above).

- Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

 - (i) the date on which the price at which the equity securities are to be issued is agreed; or
 - (ii) if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

 - (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
 - (ii) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) **(10% Placement Period)**.
- ASX Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors of the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3A

Pursuant to an in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- Any equity security issued will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days immediately before:

 - (i) The date on which the price at which the equity securities are to be issued is agreed; or
 - (ii) If the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- If Resolution 6 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:

 - (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and
 - (ii) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the quantum of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of the Notice. The table also shows:

- Two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary shares the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders’ meeting.
- Two examples of where the price of ordinary securities has decreased by 50% and increased by 50% as against the closing price of the Company’s shares on 22 September 2016.

Variable “A” in ASX Listing Rule 7.1A.2		Dilution		
		\$0.024 50% decrease in Deemed Price	\$0.048 Deemed Price	\$0.072 50% Increase in Deemed Price
Current Variable A 166,572,635 shares	10% Voting Dilution	16,657,264 shares	16,657,264 shares	16,657,264 shares
	Funds raised	\$399,774	\$799,549	\$1,199,323
50% increase in current Variable A 249,858,953 shares	10% Voting Dilution	24,985,895 shares	24,985,895 shares	24,985,895 shares
	Funds raised	\$599,662	\$1,199,323	\$1,798,984
100% increase in current Variable A 333,145,270 shares	10% Voting Dilution	33,314,527 shares	33,314,527 shares	33,314,527 shares
	Funds raised	\$799,549	\$1,599,097	\$2,398,646

The table above has been prepared on the following assumptions:

- The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company’s shares on issue at the date of the Meeting.
- No options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.
- The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder’s holding at the date of the Meeting.
- The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the “15% rule”.
- The price of ordinary securities is deemed for the purposes of the table above to be \$0.048, being the closing price of the Company’s listed securities on ASX on 25 September 2016 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at.
- The table does not demonstrate the effect of listed options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.

The Company may seek to issue the equity securities for the following purposes:

- Non-cash consideration including in connection with joint venture arrangements or agreements, payment of contractors or consultants or in connection with the acquisition of new projects (although the Company presently has no proposal to do so). In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- Cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing existing Company projects, the acquisition of new projects and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company. Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A. During the 12-month period preceding the proposed date of the 2016 AGM, being on and from 17 November 2015, the Company issued a total of 93,550,107 equity securities (68,518,045 ordinary shares and 25,032,062 options) whereas the Company had 108,306,590 equity securities on issue in the Company as at the date of the 2015 AGM (an increase of approximately 86%). Further details of the issues of all equity securities made by the Company during the 12-month period preceding the proposed date of the 2016 AGM are set out in Annexure A.

A voting exclusion statement is included in the Notice to which this Memorandum relates. At the date of that Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The directors of the Company unanimously recommend shareholders vote in favour of Resolution 6.

Note: unless otherwise specified, all monetary amounts are in Australia dollars.

ANNEXURE A

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration (cash/non-cash)
16 December 2015	2,025,000	Unlisted Options	Issued under the Company's Employee Share Option Plan	No issue price, employee incentive options.	Issued in accordance with the Company's Employee Share Option Plan as announced to ASX on 12 May 2015. Unlisted options have an exercise price of \$0.30 and expire 15 December 2020.
16 December 2015	1,000,000	Unlisted options	Issued to David Fletcher	No issue price, employee incentive options.	Issued in accordance with the Company's remuneration and incentive arrangements. Approved by shareholders at AGM on 17 November 2015. Unlisted options have an exercise price of \$0.30 and expire 15 December 2020.
18 December 2015	24,500,000	MTL	Issued to professional, sophisticated and other exempt investors under a share placement by Lead Manager Bell Potter Securities Limited	Issue price of \$0.07 (aggregate of \$3,095,000). Market price at date of issue was \$0.06. Percentage discount of approximately 10%	Cash (\$3,095,000). Funds raised from the issue of shares have been applied to the continuing day to day operations of the Company as working capital including payment of employee wages, operating costs and sales and marketing expenses.
17 February 2016	3,314,288	MTL	Issued to participants in a Share Purchase Plan	Issue price of \$0.07 (aggregate of \$232,000). Market price at date of issue was \$0.077. Percentage premium of approximately 16%	Cash (\$232,000). Funds raised from the issue of shares have been applied to the continuing day to day operations of the Company as working capital including payment of employee wages, operating costs and sales and marketing expenses.
29 February 2016	500,000	Unlisted options	Issued to Michael Quinert	No issue price, employee incentive options.	Issued in accordance with the Company's remuneration and incentive arrangements. Approved by shareholders at the General Meeting on 23 February 2016. Unlisted options have an exercise price of \$0.20 and expire 29 February 2020.
29 February 2016	10,020,613	Unlisted options	Issued to Anthony Owen & Megan Owen	No issue price, employee incentive options.	Issued in accordance with the Company's remuneration and incentive arrangements. Approved by shareholders at AGM on 17 November 2015. Unlisted options have an exercise price of \$0.20 and expire 29 February 2020.
29 February 2016	1,750,000	Unlisted options	Issued to Anthony Owen & Megan Owen	No issue price, employee incentive options.	Issued in accordance with the Company's remuneration and incentive arrangements. Approved by shareholders at AGM on 17 November 2015. Unlisted options have an exercise price of \$0.25 and expire 29 February 2020.
29 February 2016	7,198,949	Unlisted Options	Issued under the Company's Employee Share Option Plan	No issue price, employee incentive options.	Issued in accordance with the Company's Employee Share Option Plan as announced to ASX on 12 May 2015. Unlisted options have an exercise price of \$0.20 and expire 29 February 2020.

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration (cash/non-cash)
29 February 2016	2,537,500	Unlisted Options	Issued under the Company's Employee Share Option Plan	No issue price, employee incentive options.	Issued in accordance with the Company's Employee Share Option Plan as announced to ASX on 12 May 2015. Unlisted options have an exercise price of \$0.25 and expire 29 February 2020.
8 March 2016	11,317,144	MTL	Issued to professional, sophisticated and other exempt investors under a share placement under a Manager Bell Potter Securities Limited	Issue price of \$0.07 (aggregate of \$792,200). Market price at date of issue was \$0.06. Percentage discount of approximately 10%	Cash (\$792,200). Funds raised from the issue of shares have been applied to the continuing day to day operations of the Company as working capital including payment of employee wages, operating costs and sales and marketing expenses.
28 April 2016	8,397,143	MTL	Issued to professional, sophisticated and other exempt investors under a share placement under a Manager Bell Potter Securities Limited	Issue price of \$0.07 (aggregate of \$587,800). Market price at date of issue was \$0.068. Percentage discount of approximately 2%	Cash (\$587,800). Funds raised from the issue of shares have been applied to the continuing day to day operations of the Company as working capital including payment of employee wages, operating costs and sales and marketing expenses.
27 May 2016	20,199,996	MTL	Issued to professional, sophisticated and other exempt investors under a share placement managed by Lead Manager Bell Potter Securities Limited	Issue price of \$0.07 (aggregate of \$1,414,000). Market price at date of issue was \$0.07.	Cash (\$1,414,000). Funds raised from the issue of shares have been applied to the continuing day to day operations of the Company as working capital including payment of employee wages, operating costs and sales and marketing expenses.
1 August 2016	789,474	MTL	Issued to Generation Co Pty Limited as part consideration for the acquisition of the Hearis Assets	Deemed issue price of \$0.057 (aggregate of \$45,000). Market price at date of issue was \$0.059. Percentage premium of 3%	Non-cash, issued in lieu of cash payment for acquisition of assets. The current value of the non – cash assets is AUD\$31,579.



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PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10.00am (Melbourne time) Sunday 13 November 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Manalto Limited to be held at The Offices of Henslow Pty Ltd, Level 8, 446 Collins Street, Melbourne, Vic on Tuesday 15 November 2016 at 10.00am (Melbourne time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr Joseph Miller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue shares to ECA Ventures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of shares to Generation Co Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /