

ShareRoot

27 October 2016

Mr Jeremy Newman
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: jermey.newman@asx.com.au

Dear Mr Newman,

Re: ASX Aware Query re ShareRoot Limited (“ShareRoot” or the “Company”)

With reference to your letter dated 24 October 2016 (the “Letter”) and with specific reference to your queries contained therein, we advise as follows:

1. In part. There are two separate disclosures in the Information.

The first disclosure in the Information is in relation to the inclusion of the Company by Jungle Communications (“Jungle”) in two proposals for multi-year government bids, totaling over \$US500,000. These bids were made on 12 September 2016 and 3 October 2016 (“Jungle Bids”).

The Company does not consider the Jungle Bids to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

The second disclosure in the Information is in relation to the formal establishment of a partnership with Jungle (“Jungle Partnership”).

The Company does consider the Jungle Partnership, in combination with the Jungle Bids, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

2. No, in relation to the Jungle Bids. ShareRoot has been in discussions with Jungle for approximately three months, making the Jungle Bids, as disclosed in the Information, alongside Jungle. The timing on being advised on the success or

otherwise of the Jungle Bids is not known, but expected to occur sometime in 2017. ShareRoot is constantly undertaking pitches and bids to potential clients, either on its own account, or informally with other potential partners in the order of approximately 10-20 bids per month.

The bid process is part of the ordinary course of business for ShareRoot and, giving consideration to the number of bids made, the relative size of the bids and the time lag from bidding to being awarded, the Information in relation the Jungle Bids is not considered by the Company to be information that a reasonable person would expect to have a material effect on the price or value of the entity's securities and is therefore not disclosed as part of the Company's continuous disclosure obligations. The Company considers that a continuous disclosure obligation is triggered upon being advised on the success of a bid, not simply the submission of a pitch or bid.

3. Yes, in relation to the Jungle Partnership, in combination with the Jungle Bids. On 20 October 2016, Noah Abelson returned from holidays and commenced discussions with Jungle CEO, Juan Santana, in relation to forming an official partnership ("Jungle Partnership"). During those discussions Jungle disclosed to the Company that they had been including ShareRoot in other proposals, in addition to the Jungle Bids and they viewed ShareRoot as the ideal partner for social media marketing executions moving forward. The partnership discussions were finalised on the afternoon of 23 October 2016 (US Pacific Time) and the announcement entitled, "*SRO Partners with Multi Million USD Government Contractor*" lodged with the ASX Market Announcements Platform and released at 10.35am (AEDT) on Monday 24 October 2016.

This activity in relation to the Jungle Partnership occurred after 14 October 2016, and as no discussions in relation to a formalisation of this arrangement occurred before that date, the Company was not aware of the Jungle Partnership at the time of responding to the ASX Price and Volume Query.

4. Not applicable.

5. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'A. Bursill', with a stylized flourish at the end.

ANDREW BURSILL

Company Secretary



24 October 2016

Mr Andrew Bursill
Company Secretary
ShareRoot Limited

By email:

Dear Mr Bursill

SHAREROOT LIMITED ("ENTITY"): ASX AWARE QUERY

ASX Limited ("ASX") refers to the following:

1. Our letter to the Entity on 13 October 2016, which referred to a change in the price of the Entity's securities from a closing price of \$0.023 on Wednesday, 12 October 2016 to an intra-day high of \$0.03 at the time of writing on Thursday, 13 October 2016 ("Price Query").
2. The Entity's announcement titled "*Response to ASX Price and Volume Query*" lodged with the ASX Market Announcements Platform and released at 9:08 am (AEDT) on 14 October 2016 answering that:

"The Entity is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Entity",

to question 1, being whether the Entity was aware of any information concerning it that had not been announced to the market which, if known by someone, could explain the recent trading in the Entity's securities. The response also set out that the Entity was in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

3. The Entity's announcement titled "*SRO Partners with Multi Million USD Government Contractor*" lodged with the ASX Market Announcements Platform and released at 10:35 pm (AEDT) on 24 October 2016 disclosing, amongst other things, details that the Entity has established a partnership with Jungle Communications, a digital agency specializing in government contracts ("Information").
4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
5. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."



Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the Information?
4. If the answer to question 1 is “yes” and the Entity first became aware of the Information before responding to the Price Query, did the Entity make any announcement prior to responding to the Price Query which disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Information was released promptly and without delay.



5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9:00 am (WST), Thursday, 27 October 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at jeremy.newman@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;



- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Jeremy Newman
Senior Adviser, ASX Listings Compliance