

12 April 2018

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)
ASX Compliance Pty Ltd
Level 4, 525 Collins Street
Melbourne VIC 3000

By email: cheng.tang@asx.com.au

Dear Cheng

By letter dated 9 April 2018 (a copy of which is attached to this response), ASX advised Manalto Limited (**MTL, Manalto or the Company**) that, in ASX's opinion, the relationships:

- a) between MTL on the one hand and Adam, Darrin and Alvin Blumenthal and the entities they control, including Everblu, Anglo, ASN, Horatio and Suburban (together the **Blumenthal Parties**) on the other; and
- b) between the directors of MTL (who are related parties of MTL) on the one hand and the Blumenthal Parties on the other,

are such that any issue of equity securities by MTL to the Blumenthal Parties ought to be approved by the ordinary shareholders of MTL. To put it another way, ASX has formed the opinion that listing rule 10.11.2 applies in relation to any issue of equity securities by MTL to the Blumenthal Parties.

ASX further advised that it considers this to have been the case from no later than the date that Tim Wilson, James Ellingford and Terence Clee were appointed to the board of MTL as "nominees of Everblu", that is 15 September 2017.

Accordingly, any issue of equity securities by MTL to a Blumenthal Party on and from 15 September 2017 required the approval of MTL's ordinary shareholders under and in accordance with ASX Listing Rule 10.11 and the Blumenthal Parties and their associates should have been excluded from voting on the resolutions to approve such issues.

This has the result that each of the recent placements of shares and convertible notes and the issue of the adviser shares and adviser options by MTL to the Blumenthal Parties was, in ASX's opinion, made in breach of ASX Listing Rule 10.11.

ASX has also requested that the Company rectify these breaches to ASX's satisfaction before MTL will be reinstated to trading.

Whilst the Company does not agree with the stance taken by ASX, it understands that ASX has the discretion to form the opinion that ASX Listing Rule 10.11.2 applies in relation to any issue of equity securities by the Company to the Blumenthal Parties.

In light of this, the Company has agreed to (a) place a holding lock on all securities issued to the Blumenthal Parties and (b) seek a new shareholder approval to ratify the issue of these securities to the Blumenthal Parties in accordance with ASX Listing Rule 10.11. A shareholders' meeting will be convened in the near future for this purpose.

In addition to the above, set out below are responses to the additional queries in the letter from ASX dated 9 April 2018.

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1.1 Specifically of which major investors in MTL is Tim Wilson a nominee.

To the Company's knowledge, Tim Wilson's appointment as a director was initially supported by Adam Blumenthal and his controlled entities.

1.2 Do those investors include any of the Blumenthal Parties, and if so, which ones?

Yes, Adam Blumenthal and his controlled entities. No discussions or interactions were held with any of the other Blumenthal Parties.

1.3 Do those investors include J P Morgan Australia Nominees Limited?

The Company is unaware whether Tim Wilson's appointment as a director is supported by J P Morgan Australia Nominees Limited.

1.4 Do those investors include Code Nominees Pty Ltd <28698>?

The Company is unaware whether Tim Wilson's appointment as a director is supported by Code Nominees Pty Ltd <28698>.

1.5 Do those investors include LSAF Holdings Pty Ltd?

The Company is unaware whether Tim Wilson's appointment as a director is supported by LSAF Holdings Pty Ltd.

2.1 Please provide a copy of the most recent substantial holder notice given by J P Morgan Australia Nominees Limited to MTL.

The Company has never received a substantial shareholder notice from J P Morgan Australia Nominees Limited.

2.2 Is there any connection between J P Morgan Australia Nominees Limited on the one hand and the Blumenthal Parties on the other?

The Company is unaware whether there is any connection between J P Morgan Australia Nominees Ltd and the Blumenthal Parties.

2.3 Please provide a copy of the most recent substantial holder notice given by Code Nominees Pty Ltd <28698> to MTL.

Code Nominees Pty Ltd <28698> has never provided a substantial holder notice to the Company.

2.4 Is there any connection between Code Nominees Pty Ltd <28698> on the one hand and the Blumenthal Parties on the other?

The Company understands that Code Nominees Pty Ltd <28698> is a broker account held on behalf of Adam Blumenthal.

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3. Please explain why Adam Blumenthal's substantial holding in MTL is not disclosed in section 7.4 on page 20 of MTL's Cleansing Prospectus.

Please refer to the response to question 2.3. At the time the Cleansing Prospectus was prepared, it was not known to the Company that Code Nominees Pty Ltd was a party associated with Adam Blumenthal.

- 4.1 Is LSAF still a substantial shareholder in MTL?

No.

- 4.2 If LSAF is still a substantial holder in MTL, please explain why LSAF's substantial holding in MTL is not disclosed in section 7.4 on page 20 of MTL's Cleansing Prospectus.

N/A – refer 4.1.

- 4.3 If LSAF is not still a substantial holder in MTL, is MTL aware of any reason why it has not filed a Form 605 Notice of ceasing to be a substantial holder?

No.

- 4.4 Is there any connection between LSAF on the one hand and the Blumenthal Parties on the other and, if so, what is that connection.

The Company is unaware whether there is any connection between LSAF and the Blumenthal Parties.

5. ASX notes that L1 Capital Global Opportunities Master Fund ("L1") lodged with MTL a Form 603 Notice of substantial holder dated 4 April 2018... Is there any connection between L1 on the one hand and the Blumenthal Parties on the other and, if so, what is that connection?

The Company is unaware whether there is any connection between L1 and the Blumenthal Parties.

6. *The Company was not aware at the time of the 2017 AGM which parties would be the recipient of the adviser shares and adviser options. Consequently, the Company did not exclude any votes on the resolution.*

7. *The Company was not aware at the time of the 2017 AGM which parties would be the recipients of the shares or options that were the subject of resolutions at the meeting. The Company also notes that had these particular parties been excluded from voting it would not have changed the outcome of the resolution (i.e. it will would have been passed).*

8. *The Company was not aware at the time of the 2017 AGM which parties would be the recipients of the convertible notes. The Company also notes that had these particular parties been excluded from voting it would not have changed the outcome of the resolution (i.e. it will would have been passed).*

9. *The Company was not aware at the time of the 2017 AGM which parties would be the recipients of the convertible notes. The Company also notes that had these particular parties*

been excluded from voting it would not have changed the outcome of the resolution (i.e. it will would have been passed).

- 10.1 Please provide a detailed breakdown of all amounts that have been paid, and all equity securities that have been issued or agreed to be issued, by MTL to or at the direction of EverBlu under the EverBlu Mandate.

A breakdown is set out in the following table:

Date	Details	Paid	Unpaid
1 July 2017 to 30 June 2018	Monthly retainer - \$11,000 (inc GST) per month	\$120,000 via the issue of broker shares (refer Item 10.2)	\$12,000 (GST component)
1 March 2018	Capital raising fee – 6% on \$1.06M	\$63,600 via the issue of adviser shares (refer Item 11)	\$6,360 (GST component)
6 July 2017	Capital raising fee	\$51,586.59	\$1,980
7 June 2017	Capital raising fee	\$28,600	-
	Capital raising fee on \$0.97M	\$58,200 via the issue of adviser shares (refer Item 11)	\$5,820 (GST component)
	Capital raising fee on \$0.54M	\$32,400 via the issue of adviser shares (refer Item 11)	\$3,240 (GST component)
	Capital raising fee on \$0.55M con note	\$33,000	\$3,300 (GST component)

- 10.2 To whom were the broker shares and the broker options referred to in the EverBlu Mandate issued.

The 6 million broker shares were issued to Australian Share Nominees Pty Ltd. The broker options have not been issued.

- 11.1 When was it agreed that Everblu could take its 6% placement fee on the post 15 September 2017 capital raisings in adviser shares and adviser options rather than in cash (as provided for in the EverBlu Mandate)?

This decision was made at or around the time the adviser shares and adviser options were issued. The Board agreed this with EverBlu in order to preserve the Company's cash.

- 11.2 Who agreed that on behalf of MTL?

The Board agreed with EverBlu.

- 11.3 Please provide a copy of any documentation supporting the existence of this agreement.

It was a verbal agreement.

- 11.4 Did MTL immediately announce the proposed issue of the adviser shares and adviser options to Everblu to the market as required by listing rule 3.10.3 and, if so, when?

The issue of adviser shares and adviser options was included in the 2017 AGM Notice and was released to ASX.

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The above responses have been approved by the Board of Manalto Limited.

Yours sincerely

ON BEHALF OF THE BOARD OF MANALTO LIMITED

Elizabeth Hunt
Company Secretary
Manalto Limited

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9 April 2018

Ms Liz Hunt
Company Secretary
Manalto Limited
Level 11, 216 St Georges Terrace
PERTH WA 6000

By email: Liz@miningcorporate.com.au

Dear Ms Hunt

Manalto Limited (“MTL”): Further Queries on the Issues of Securities

ASX Limited (“ASX”) refers to the following:

- A. MTL’s announcement entitled “Update on Capital Raising” lodged on the ASX Market Announcements Platform (“MAP”) on 11 October 2017, confirming an issue to subscribers on the Chairman’s List of \$550,000 in convertible notes.
- B. MTL’s announcement entitled “Capital Raising & Operations Update” lodged on MAP on 2 March 2018, confirming the receipt of \$1,060,000 in placement funds raised by an issue of 1,060m shares in MTL at 0.1 cents per share.
- C. MTL’s announcement entitled “Capital Raising & Company Update” lodged on MAP on 21 March 2018, confirming the issue of:
- a) 2,570m shares to raise \$2.57 million pursuant to the shareholder approval obtained at the AGM held on 21 December 2017 (“2017 AGM”) and noting this total comprised a further amount of \$970,000 in placement funds raised by an issue of 970m shares in MTL at 0.1 cents per share, plus the placement announced on 2 March 2018 and \$540,000 raised in the form of convertible loans announced on 20 December 2017.
 - b) 200 million “adviser shares” and 200 million “adviser options”.
- D. MTL’s cleansing prospectus lodged on MAP 22 March 2018 for the issue of 500,000 shares at 0.1 cents per share (the “Cleansing Prospectus”).
- E. ASX Listing Rule 10.11 which states that *“Unless one of the exceptions in rule 10.12 applies, an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities.*
- 10.11.1 *A related party*
 - 10.11.2 *A person whose relationship with the entity or a related party is, in ASX’s opinion, such that approval should be obtained.”*

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ASX ruling under listing rule 10.11.2

ASX notes the following connections between MTL, Everblu Capital Pty Limited (“Everblu”) and various members of the Blumenthal family.

- The current directors of MTL are Tim Wilson, James Ellingford and Terence Clee.
- In question 1 of ASX’s query letter dated 27 September 2017 lodged on MAP on 3 October 2017, ASX commented:

“ASX has received information that Jim McKerlie, Paul Gardner and Michael Quinert appointed James Ellingford, Terence Clee and Tim Wilson as directors of MTL and then resigned themselves as directors of MTL after receiving an ultimatum from Everblu (delivered by email from a solicitor acting for Everblu) requiring them to do so. Among other things that email stated:

*“Everblu is prepared to undertake to provide ongoing funding support to ensure that Manalto can pay [sic] its debts as and when they fall due, subject to all of the existing directors of Manalto immediately resigning and being replaced by **nominees of Everblu**.*

*We are further instructed that, if the existing directors do not appoint **nominees of Everblu** as directors of Manalto and then immediately resign no later than 5pm Sydney time on Friday, 15 September 2017, Everblu intends to secure support of shareholders holding at least a 5% interest in Manalto to requisition a meeting under Section 249D of the Corporations Act to make these changes.” [emphasis added]*

Please confirm whether the information received by ASX is correct.”

In MTL’s response dated 3 October 2017 (lodged on MAP that day with ASX’s query letter), MTL confirmed that the information received by ASX was correct.

In ASX’s view, this constitutes a clear statement by the solicitor acting for Everblu, and a clear concession by MTL, that each of Jim Ellingford, Terence Clee and Tim Wilson were appointed to the board of MTL as “nominees of Everblu”.

- Tim Wilson is an associate director of Everblu.
- James Ellingford and Terence Clee are directors of Elysium Resources Limited and Victory Mines Limited. Both companies are advised by Everblu (see <http://www.everblucapital.com/eym-october/> and <http://www.everblucapital.com/case-studies/vic/>).
- James Ellingford and Adam Blumenthal are both directors of Creso Pharma Limited. It too is advised by Everblu (see <http://www.everblucapital.com/case-studies/creso-pharma/>).
- We understand Everblu is controlled by the Blumenthal family.
- Adam Blumenthal is the chairman of Everblu.
- Darrin Blumenthal (Adam’s brother) is the managing director of Everblu.
- Alvin Blumenthal (Adam’s and Darrin’s father) is a wealth adviser at Everblu.
- Anglo Menda Pty Limited (“Anglo”), which we understand to be controlled by Adam Blumenthal, holds a substantial number of shares in MTL and was issued 100m shares in MTL’s recent \$970,000 share placement and 100m adviser shares and 100m adviser options at the direction of Everblu.
- Australian Share Nominees Pty Limited (“ASN”), which we understand to be controlled by Adam and Darrin Blumenthal, holds a substantial number of shares in MTL and was issued 100m shares in MTL’s

recent \$1,060,000 share placement and 70m adviser shares and 70m adviser options at the direction of Everblu.

- Horatio Street Pty Limited (“Horatio”), which we understand to be controlled by Darrin Blumenthal, also holds a substantial number of shares in MTL and was issued 50m shares in MTL’s recent \$970,000 share placement and 30m adviser shares and 30m adviser options at the direction of Everblu.
- Suburban Holdings Pty Ltd (“Suburban”), which we understand to be 50% held by Alvin Blumenthal and 50% held by Debra Lynn Blumenthal (Adam’s and Darrin’s mother), holds a substantial number of shares in MTL and was issued \$150,000 of convertible notes in MTL’s recent \$550,000 convertible notes placement. These notes were originally convertible into 13.636364m shares in MTL, but as a result of the shareholder resolution passed at the 2017 AGM changing the conversion price from 1.1 cents to 0.1 cents, are now convertible into 150m shares in MTL.
- Everblu was issued \$50,000 of convertible notes in MTL’s recent \$550,000 convertible notes placement. These notes were originally convertible into 4.545455m shares in MTL, but as a result of the shareholder resolution passed at the 2017 AGM changing the conversion price from 1.1 cents to 0.1 cents, are now convertible into 50m shares in MTL.

Having regard to the above, in ASX’s opinion, the relationships:

- between MTL on the one hand and Adam, Darrin and Alvin Blumenthal and the entities they control, including Everblu, Anglo, ASN, Horatio and Suburban (together the “Blumenthal Parties”) on the other; and
- between the directors of MTL (who are related parties of MTL) on the one hand and the Blumenthal Parties on the other,

are such that any issue of equity securities by MTL to the Blumenthal Parties ought to be approved by the ordinary shareholders of MTL. To put it another way, ASX has formed the opinion that listing rule 10.11.2 applies in relation to any issue of equity securities by MTL to the Blumenthal Parties. ASX considers the evidence in support of this opinion to be compelling.

ASX further considers this to have been the case from no later than the date that Tim Wilson, James Ellingford and Terence Clee were appointed to the board of MTL as “nominees of Everblu”, that is 15 September 2017.

Accordingly, any issue of equity securities by MTL to a Blumenthal Party on and from 15 September 2017 required the approval of MTL’s ordinary shareholders under and in accordance with listing rule 10.11 and the Blumenthal Parties and their associates should have been excluded from voting on the resolutions to approve such issues.

This has the result that each of the recent placements of shares and convertible notes and the issue of the adviser shares and adviser options by MTL to the Blumenthal Parties mentioned above was made in breach of listing rule 10.11. These breaches must be rectified to ASX’s satisfaction before MTL will be reinstated to trading.

ASX looks forward to MTL’s proposal as to how it intends to rectify these breaches.

Going forward, if MTL is reinstated to trading, for so long as ASX considers the Blumenthal Parties to fall within listing rule 10.11.2, any future issue of equity securities by MTL to a Blumenthal Party will require the approval of MTL’s ordinary shareholders under and in accordance with listing rule 10.11 and the Blumenthal Parties and their associates will be excluded from voting on the resolutions to approve such issues.

ASX expects MTL to announce the findings above to the market. If MTL does not do this within a time and in a manner acceptable to ASX, ASX reserves the right to make its own announcement to the market in relation to these matters.

Further ASX queries

1. In MTL's undated response to question 7 of ASX's 19 September query letter (both lodged on MAP on 27 September 2018), MTL stated:

"Mr Tim Wilson is an employee of EverBlu. He sits on the Manalito board as a nominee of **several major investors.**" [emphasis added]

 - 1.1 Specifically, of which major investors in MTL is Tim Wilson a nominee?
 - 1.2 Do those investors include any of the Blumenthal Parties and, if so, which ones?
 - 1.3 Do those investors include J P Morgan Australia Nominees Limited (see question 2 below)?
 - 1.4 Do those investors include Code Nominees Pty Ltd <28698> (see question 2 below)?
 - 1.5 Do those investors include LSAF Holdings Pty Ltd (see question 4 below)?
2. In section 7.4 on page 20 of MTL's Cleansing Prospectus, it is stated that MTL currently has two substantial holders: J P Morgan Australia Nominees Limited (7.14%) and Code Nominees Pty Ltd <28698> (5.49%).
 - 2.1 Please provide a copy of the most recent substantial holder notice given by J P Morgan Australia Nominees Limited to MTL.
 - 2.2 Is there any connection between J P Morgan Australia Nominees Limited on the one hand and the Blumenthal Parties on the other?
 - 2.3 Please provide a copy of the most recent substantial holder notice given by Code Nominees Pty Ltd <28698> to MTL.
 - 2.4 Is there any connection between Code Nominees Pty Ltd <28698> on the one hand and the Blumenthal Parties on the other?
3. On 3 October 2017, Adam Blumenthal lodged a Form 603 *Notice of initial substantial holder* with MTL, released on MAP that same day, claiming that he had become a substantial holder of MTL on 5 June 2014 and had a 12.07% interest in MTL held through Anglo and ASN. We understand from an email communication with MTL that this date was an error and should have been 29 August 2017.

Please explain why Adam Blumenthal's substantial holding in MTL is not disclosed in section 7.4 on page 20 of MTL's Cleansing Prospectus.
4. ASX notes that LSAF Holdings Pty Ltd ("LSAF") lodged with MTL a Form 603 *Notice of substantial holder* with MTL dated 7 September 2017 in relation to a 5.77% interest in MTL, which was released on MAP on 8 September 2017.
 - 4.1 Is LSAF still a substantial holder in MTL?
 - 4.2 If LSAF is still a substantial holder in MTL, please explain why LSAF's substantial holding in MTL is not disclosed in section 7.4 on page 20 of MTL's Cleansing Prospectus.
 - 4.3 If LSAF is not still a substantial holder in MTL, is MTL aware of any reason why it has not filed a Form 605 *Notice of ceasing to be a substantial holder*?

4.4 Is there any connection between LSAF on the one hand and the Blumenthal Parties on the other and, if so, what is that connection?

5. ASX notes that L1 Capital Global Opportunities Master Fund (“L1”) lodged with MTL a Form 603 *Notice of substantial holder* dated 4 April 2018 in relation to a 6.18% interest in MTL, which was released on MAP on 6 April 2018. Is there any connection between L1 on the one hand and the Blumenthal Parties on the other and, if so, what is that connection?

6. ASX notes that:

- Anglo was issued 100m shares in MTL’s recent \$970,000 share placement and 100m adviser shares and 100m adviser options at the direction of Everblu; and
- ASN was issued 100m shares in MTL’s recent \$1,060,000 share placement and 70m adviser shares and 70m adviser options at the direction of Everblu.

According to the proxy report provided by MTL to ASX for the resolutions considered at the 2017 AGM (“Proxy Report”), Anglo voted 26,447,858 shares, ASN voted 18,522,727 shares and Suburban voted 9,477,273 shares in favour of resolutions 5 (approving the share placements) and 6 (approving the issue of the adviser shares and adviser options) at the 2017 AGM. In ASX’s opinion, Anglo’s and ASN’s votes should have been excluded under listing rule 14.11.1 from approving the issues under the share placements and of the adviser shares and adviser options as persons expecting to participate in those issues. Likewise, in ASX’s opinion, Suburban’s votes should have been excluded under listing rule 14.11.1 from approving those issues on the grounds it was an associate of Anglo and ASN, being persons expecting to participate in those issues (noting that under the listing rules the definition of a related party includes, in relation to a person, their spouses, parents and children and entities that they control, and that a related party of natural person is taken to be an associate of that person unless the contrary is proven). Please comment.

7. ASX notes that Horatio was issued 50m shares in MTL’s recent \$970,000 share placement and 30m adviser shares and 30m adviser options at the direction of Everblu. Again, accordingly to the Proxy Report, Anglo voted 26,447,858 shares, ASN voted 18,522,727 shares and Suburban voted 9,477,273 shares in favour of resolutions 5 (approving the share placements) and 6 (approving the issue of the adviser shares and adviser options) at the 2017 AGM. In ASX’s opinion, Anglo’s, ASN’s and Suburban’s votes should have been excluded under listing rule 14.11.1 from approving the issues under the share placements and of the adviser shares and adviser options on the ground they were associates of Horatio, a person expecting to participate in those issues. Please comment.

8. ASX notes that Suburban was issued \$150,000 of convertible notes in MTL’s recent \$550,000 placement of convertible notes. Again, accordingly to the Proxy Report, Anglo voted 26,447,858 shares, ASN voted 18,522,727 shares and Suburban voted 9,477,273 shares in favour of resolution 7 (approving the conversion of convertible notes) at the 2017 AGM. In ASX’s opinion, Suburban’s votes should have been excluded under listing rule 14.11.1 from approving the conversion of the convertible notes as a person expecting to participate in the issues of shares upon the conversion of those notes. Likewise, in ASX’s opinion, Anglo’s and ASN’s votes should have been excluded under listing rule 14.11.1 from approving the conversion of the convertible notes as associates of Suburban, a person expecting to participate in the issues of shares upon the conversion of those notes. Please comment.

9. ASX notes that Everblu was issued \$50,000 of convertible notes in MTL’s recent \$550,000 placement of convertible notes. Again, accordingly to the Proxy Report, Anglo voted 26,447,858 shares, ASN voted 18,522,727 shares and Suburban voted 9,477,273 shares in favour of resolution 7 (approving the conversion of convertible notes) at the 2017 AGM. In ASX’s opinion, Anglo’s and ASN’s votes

should have been excluded under listing rule 14.11.1 from approving the conversion of the convertible notes as associates of Everblu, a person expecting to participate in the issues of shares upon the conversion of those notes. Please comment.

10. ASX notes the marketing and equity capital markets mandate (“Everblu Mandate”) between MTL and Everblu signed on 21 June 2017, purportedly with an effective date of “April 2017”. The Everblu Mandate provided for Everblu to act as lead manager for MTL on a capital raising of \$610,000 through an issue of 30,500,000 shares at 2 cents each, which was said to have been completed in April 2017, and \$1,390,000 of convertible notes convertible into ordinary shares at a price of \$0.011 per share expected to be completed in August 2017. It also provided for Everblu to act as lead manager on any future capital raisings during the term of Everblu Mandate.

Under the Everblu Mandate, Everblu is entitled to receive:

- a monthly marketing and corporate advisory fee of \$10,000 (exclusive of GST) during the term of Everblu Mandate;
- a fee of 6% of the gross proceeds raised in any capital raising lead managed by Everblu;
- 6,000,000 “broker shares” and 25,000,000 “broker options” exercisable at 2 cents per share over a 3 year period, “dependent on [MTL] obtaining relevant shareholder approvals”. The approval to issue these broker shares and broker options was given at the extraordinary general meeting of MTL shareholders held on 4 August 2017.

10.1 Please provide a detailed breakdown of all amounts that have been paid, and all equity securities that have been issued or agreed to be issued, by MTL to or at the direction of Everblu under the Everblu Mandate.

10.2 To whom were the broker shares and the broker options referred to in the Everblu Mandate issued.

11. In MTL’s letter to ASX dated 28 March 2018, MTL stated in relation to the 200,000,000 adviser shares and 200,000,000 adviser options the subject of resolution 6 at MTL’s 2017 AGM that:

“The advisor shares and options were issued to nominees of EverBlu Capital Pty Ltd. The issue of these shares and options was specifically approved by shareholders of Manalto at the general meeting held on 21 December 2017.

The recipients are controlled by:

Adam Blumenthal (Anglo Menda Pty Ltd);

Darrin Blumenthal (Horatio Street Pty Ltd); and

Adam Blumenthal & Darrin Blumenthal (Australian Share Nominees Pty Limited).

The shares and options were issued to the nominees of EverBlu Capital Pty Ltd in lieu of cash capital raising fee due pursuant the [Everblu Mandate] ...

The shares and options were issued at a deemed price of \$0.001, consistent with the placement, and therefore represent a total value of \$200,000.

Since September 2017, EverBlu Capital Pty Ltd has facilitated the raising of \$3,070,000 for Manalto. The total fee on this at the agreed rate of 6% is \$202,620 (inc GST).

EverBlu Capital Pty Ltd (or its nominees) received the 200 million adviser shares and 200 million adviser options in lieu of any cash payment for these capital raising fees.”

-
- 11.1 When was it agreed that Everblu could take its 6% placement fee on the post 15 September 2017 capital raisings in adviser shares and adviser options rather than in cash (as provided for in the Everblu Mandate)?
- 11.2 Who agreed to that on behalf of MTL?
- 11.3 Please provide a copy of any documentation supporting the existence of that agreement.
- 11.4 Did MTL immediately announce the proposed issue of the adviser shares and adviser options to Everblu to the market as required by listing rule 3.10.3 and , if so, when?

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response in relation to remedying the breach of listing rule 10.11.2 and the above queries are required as soon as reasonably possible and, in any event, by not later than 9.00 a.m. AEST on Friday 13 April 2018.

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 by e-mail to cheng.tang@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This will 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.

ASX reminds MTL that section 1309 of the Corporations Act 2001 considers the giving of false or misleading information to the ASX (or an omission which renders the information misleading), to be an offence.

Should you have any queries in relation to the above, please let me know.

Kind regards

[Sent electronically, without signature]

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)
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cheng.tang@asx.com.au