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MONTO COMMITS TO ACQUISITION OF RAPIDLY EXPANDING UGC MARKETING PLATFORM COMPANY 'SHAREROOT'

- Monto has committed to acquire 100% of revolutionary user-generated content (UGC) marketing platform company ShareRoot Inc. (ShareRoot) with a revision of terms including a 30% reduction in ShareRoot's up-front valuation.

- ShareRoot has closed a AUD$500,000 raising for working capital in the lead up to the acquisition and capital raising.

- **ShareRoot has signed eBay** to a one-year, revenue-generating contract involving both its current feature set as well as various platform functionalities currently in development.

- In a major development, ShareRoot **has added Facebook integration** enabling access to Facebook content (ShareRoot already has access to Instagram and Twitter).

- The Facebook integration has been a key focus for ShareRoot, as its integration drastically increases ShareRoot's access to content. **More than a billion additional social media users can now upload content from their Facebook pages directly into ShareRoot's platform**.

- ShareRoot has launched a plug and play product called ShareRoot Gallery that enables brands to display UGC on any website or web property that it owns. Consumers may also contribute to the ShareRoot Gallery by uploading their own content from their own desktop or mobile devices, Instagram, Facebook, or Dropbox. More than half of ShareRoot's Tier 1 subscribers have expressed interest in upgrading to version 2.

- The ShareRoot sales team has achieved a **20% month-on-month increase in total pipeline value in June and July** with forecast growth continuing to increase at a rapid pace.

- The dramatic growth of social media has created an environment where UGC is essential in any marketing strategy. In the current 'age of content' ShareRoot provides what brands are lacking, content, and a lot of it.

- The ShareRoot platform is live and currently working with more than 50 brands including Costco, University of California Los Angeles (UCLA) and the World's leading camping and outdoor gear manufacturer, Coleman Company.

ShareRoot Activity Update

Since the announcement of the acquisition of ShareRoot Inc. (ShareRoot) on 18 June 2015, ShareRoot has made significant advancements in both pipeline expansion and contracting major clients. In addition, ShareRoot has continued to roll out major improvements and upgrades in both functionality and features to their UGC-aggregation platform.

ShareRoot signs eBay to platform

During July 2015, ShareRoot signed eBay to a 12-month revenue-generating contract to utilise its current platform as well as various platform functionalities currently in development. ShareRoot is excited by the signing of such a high profile client and looks forward to concluding arrangements with other large clients in the near term.

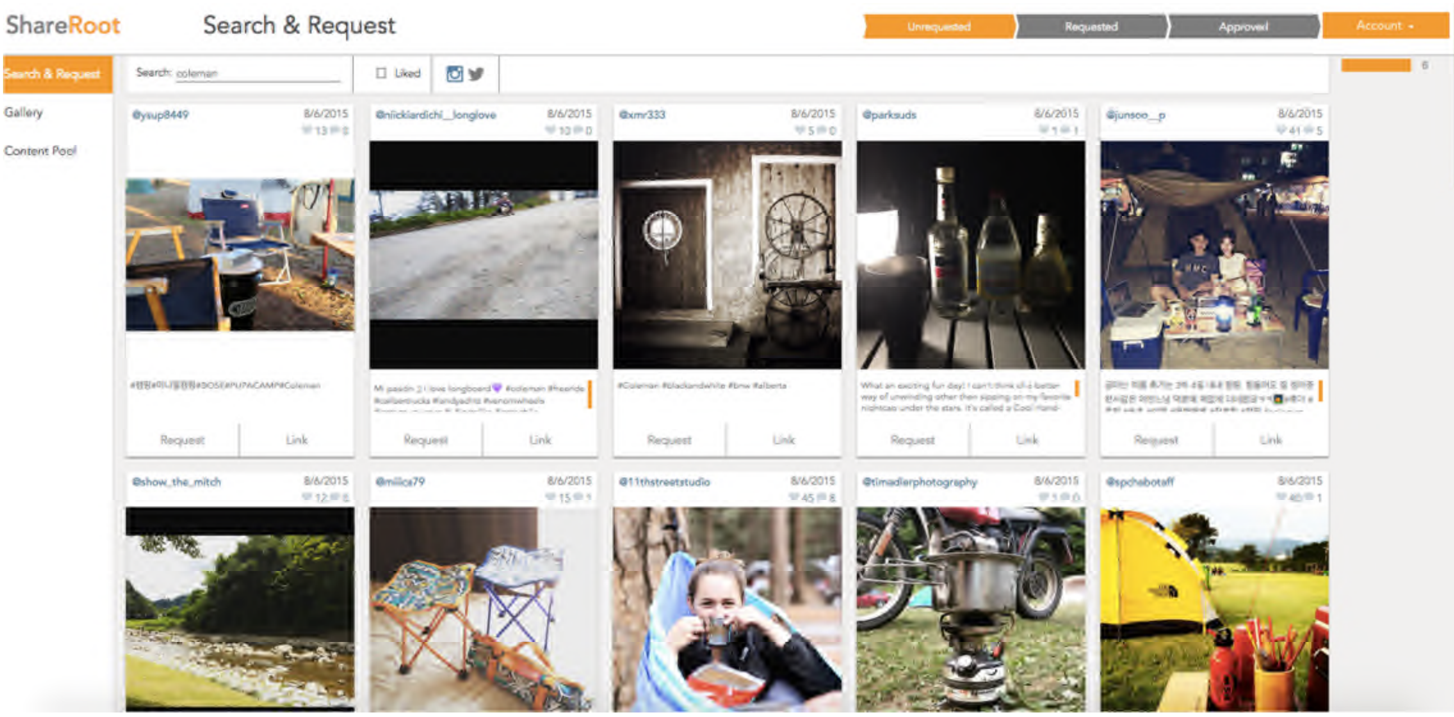
ShareRoot completes Facebook integration

In a significant milestone for the company, the ShareRoot platform has added Facebook integration functionality enabling the upload of Facebook content to its UGC galleries. The Facebook integration has been a key focus for ShareRoot, as its integration significantly increases ShareRoot's access to content.

More than a billion additional social media users can now upload content from their Facebook pages directly into the ShareRoot’s galleries.

ShareRoot recently launched the core of its version 2 feature set which includes full brand website integration of UGC (ShareRoot Gallery). Brands can now integrate a number of different ShareRoot-hosted UGC galleries straight onto the webpage allowing consumers to see authentic brand endorsements from other consumers and drive sales or other types of engagement. Consumers may also contribute to the ShareRoot Gallery by uploading their own content from their own desktop or mobile devices, Instagram, Facebook, or Dropbox. Half of Tier 1 subscribers have expressed interest in upgrading to version 2.

ShareRoot further advises that its sales team has achieved a 20% month-on-month increase in total pipeline value in both June and July and forecast similar impressive growth for the forthcoming quarter.



Above is a screen shot from the ShareRoot platform showing a sample of results from a search using keyword 'Coleman' (Coleman Camping). The images are aggregated from social media platforms that include Twitter and Instagram.

Revision of ShareRoot Acquisition Terms

Monto has committed to acquiring 100% of all of the issued equity (including common and convertible notes) in ShareRoot.

This commitment follows a re-negotiation of key acquisition terms and review of the capital structure of the transaction.

The consideration for the acquisition of 100% of issued capital (including all equity capital including common and convertible notes) of ShareRoot has been reduced by 30% (from AUD$10M to AUD$7M) and will be satisfied by the issue and allotment of 140,000,000 Monto Shares (on a post consolidation basis) at AUD$0.05 to the shareholders of ShareRoot (Consideration Shares). These shares will be subject to ASX escrow provisions.

In addition, a revised Performance Rights Plan (PRP) has been agreed which will be implemented subject to shareholder approval and compliance with the ASX Listing Rules including the ASX escrow provisions. The PRP allows for the issue to future Board members and key incoming management a total of 120,000,000 performance rights (on a post consolidation basis) which are automatically converted into shares in Monto on a one for one basis on achievement of the following milestones:

- Tranche 1 – Two-year period, will vest upon contracted six month revenue exceeding AUD$1m (ie AUD$2m annualised contracted revenue run rate).
- Tranche 2 – Three-year period will vest upon 30-day VWAP exceeding AUD$0.10 AND 100 signed and paying customers.

- <u>Tranche 3</u> – Five-year period will vest upon 30-day VWAP exceeding AUD$0.20 AND contracted 6 month revenue exceeding AUD$3m (i.e AUD$6m annualised contracted revenue run rate).
- <u>Tranche 4</u> – Five-year period will vest upon 30-day VWAP exceeding AUD$0.20 AND contracted six month EBITDA exceeding AUD$1M (ie: AUD$2M annualized contracted EBITDA).

In order to provide working capital for due diligence and transaction costs, Monto will undertake a non-renounceable entitlement issue to raise AUD$497,040 through the issue of three shares for every 8 shares held at AUD$0.001 per share. Further, for every two shares issued there will be a free attaching option exercisable at AUD$0.00111 on or before 31 December 2017. It is Monto's intention that the option will be listed, subject to compliance with the ASX Listing Rules.

ShareRoot has recently completed interim financing through the issue of AUD$500,000 in convertible notes which will convert upon a successful ASX listing. The interim financing will be used by ShareRoot to fund transaction costs and working capital in the lead up to ASX listing. The converted shares will be subject to ASX escrow provisions.

Subject to receipt of shareholder approval, Monto will also undertake a post-consolidation capital raising of a minimum of AUD$3,000,000 and up to a maximum of AUD$8,000,000, at AUD$0.05 per share, to be completed under a prospectus. Further, for every two shares issued there will be a free attaching option exercisable at AUD$0.05 on or before 31 December 2017. It is Monto's intention that the option will be listed, subject to compliance with the ASX Listing Rules. All funds raised will be employed towards the business development of ShareRoot.

Foster Stockbroking has been appointed as Lead Manager to the post consolidation capital raising, together with the non-renounceable entitlement issue to be completed by Monto.

Monto has to date provided AUD$100,000 to ShareRoot by way of an option fee. Due diligence is well advanced and upon exercising the right to acquire 100% of the issued capital of ShareRoot, a further AUD$200,000 will be payable by Monto on or before 16 September 2015.

The intention of the parties is to finalise a formal agreement for Monto to acquire 100% of the issued capital of ShareRoot. This transaction will be a significant change to the nature and scale of the Company's main business activity which will require re-compliance with ASX's admission requirements in Chapters 1 and 2 of the ASX Listing Rules.

On the basis that formal documents are executed, and in addition to obtaining shareholder approvals, the acquisition is subject to Monto completing a consolidation of its share capital and re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The consolidation would be on a ratio to be determined by Monto but consistent with the ASX Listing Rules.

A schedule of the indicative capital structure is detailed in the Annexure to this announcement.

ShareRoot Overview

ShareRoot is a Silicon Valley based technology company focused on the future of social media expansion and marketing, specialising in the substantial opportunity of user generated content (UGC). ShareRoot's platform allows companies and brands to easily source high quality UGC, allowing them to drive sales and increase brand awareness.

Founded in 2012 by CEO Noah Abelson and CTO Marc Angelone, ShareRoot initially focused on helping brands market themselves on Pinterest. A year and a half into the business, after achieving success including an 87% repeat customer rate and successful campaigns with brands like General Mills and Paramount Pictures, the founders of ShareRoot realised that there was a much larger problem to solve for brands.

The issue and pain point is simple, the marketing landscape has changed drastically over the last 5-10 years and an extraordinary amount of content is required compared with what was needed previously. Companies and brands simply don't have the tools necessary to help them aggregate, modify, deploy, collaborate on, and measure the success of their digital content.

This dramatic change has been brought about because of social media and its unprecedented growth, and brands recognising the need to be a part of the fabric that makes up the social media world.

As a result, ShareRoot has developed an innovative SaaS platform that assists organisations in enhancing and personalising their marketing to these new age demands. The platform provides brands the ability to source UGC from various social channels including Instagram, Twitter and other networks to be added in the near future. The user numbers and stats within the platform far surpassed the team's initial expectations and goals. One reason for its huge success is that ShareRoot allows consumers and followers of brands to not only participate in social media campaigns, but also strengthen the bond between them and the brands they love.

From a technical perspective, ShareRoot utilises APIs (application programming interfaces) from the major social networks that allow for images and image information to be pulled from the platforms. ShareRoot's easy to use platform allows brands to search for images associated with it, send custom requests for the rights to those images, and post the newly sourced content to multiple platforms, all within a few clicks.

ShareRoot is currently the only platform with a streamlined process for sourcing UGC from Instagram, Twitter and Facebook (1.5 billion active users). In a content demanding marketing landscape it is essential for brands and marketers to aggregate and own as much content as possible. ShareRoot's platform enables brands and marketers to:

- Get access to, aggregate and own a large amount of content
- Like, request and share on multiple platforms simultaneously
- Alter content as they see fit at little or no cost
- Use for marketing and promotion campaigns going forward at no additional cost

The ShareRoot platform has been developed with the input of its high profile enterprise clients, such as Costco and Coleman to generate a highly relevant, personalised and efficient system. ShareRoot's clients are charged a monthly subscription fee to have unlimited access to the platform in addition to unlimited searches and requests. As ShareRoot's platform capabilities expand, additional tiered pricing features will be launched.

To provide an example:

Let's say you're a student at UCLA and you take a selfie of you wearing your schools colors and you post the photo to Instagram using #UCLA in your caption. ShareRoot's platform allows for your school's marketing team to send you a quick message asking you if UCLA can use your image in its marketing efforts to prospective students and tells you to go to a website where you can give access to your photo. A few steps later and after agreeing to the licensing for your photo, UCLA now has your photo saved in its ShareRoot library, and can choose to post it to any of its social profiles, or use it in a marketing campaign in the future.

UGC is content created by consumers in various forms (i.e. social media posts, pictures, forums, reviews, blogging, etc). UGC is in high demand from brands to achieve a better understanding of its target audience and enables them to build a genuine connection with consumers. Through doing this, brand customers are engaged, brand affinity is increased, customer satisfaction is achieved, as well as greater visibility and brand credibility. Importantly, UGC also provides what brands are lacking: content, and a lot of it.

A 2014 report by Boston Consulting Group has shown millennials, who account for US$1.3 trillion in direct annual spending, engage more extensively with brands than older consumers and expect a two-way marketing relationship. 84% of Millenials and 70% of baby boomers say UGC plays a role in their purchasing decisions.

ShareRoot has a highly experienced management team and board of advisors. CEO Noah Abelson launched the US sales efforts for one of the initial Facebook advertising partners. Marc Angelone has been coding for over 19 years, and was most recently a key developer for Millenial Media through its IPO. The board of advisors are collectively responsible for over five acquisitions, over $200m US in acquisition cost, over $150m in funds raised, and have held key roles at companies including Facebook, Yahoo, Adobe and many more. Upon completion of the transaction, it is proposed that the Board of Directors will comprise three US based directors (including both Noah Abelson and Marc Angelone, the two cofounders- managing director and CTO) and two Australian based directors.

ShareRoot will be using the 'land and expand' approach to take hold of a significant portion of the market share. The ShareRoot platform is live and is currently working with more than 50 brands, with over 35 in the sales pipeline. The rollout of the ShareRoot platform will be significantly increased over the coming months as marketing, development and sales initiatives are increased.

Award winning technology

In less than 6 months since launching the new platform, ShareRoot has won the Vator Splash People's Choice Award and the Xero Super User Award 2014 (after putting together a business guide alongside Xero).

For and on behalf of the Board

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Annexure

Revised Indicative Capital Structure

The revised pre-Consolidation and post-Consolidation capital structure of the Company following the completion of the transaction is set out below:

Pre Consolidation		
Securities	**MOO Shares**	**MOO Options**
Existing issued securities	1,325,440,555[1]	53,000,000[2]
Entitlement offer on 3 for 8 basis @ $0.001 per Share to raise $497,040. 1 free Option will be issued for every 2 Shares allotted	497,040,208	248,520,104
Issue of vested performance rights	9,000,000	
Post Consolidation		
Securities on issue post consolidation	40,699,572[3]	6,700,446[4]
Consideration securities	140,000,000	-
Post Consolidation capital raising (indicative - based on AUD$4,000,000 raising)	80,000,000	40,000,000[5]
Pre-listing financing direct into ShareRoot – converted post consolidation (minimum)	16,666,667[6]	
Advisor options	-	21,000,000[7]
TOTAL SECURITIES POST CONSOLIDATION	**277,366,239**	**67,700,446**

Performance Rights Plan (post consolidation)	
Tranche 1 - 2 year period, will vest upon contracted 6 month revenue exceeding AUD$1m (ie AUD$2m annualised contracted revenue run rate)	30,000,000
Tranche 2 - 3 year period, will vest upon 30 day VWAP exceeding AUD$0.10 AND 100 signed and paying customers	30,000,000
Tranche 3 - 5 year period, will vest upon 30 day VWAP exceeding AUD$0.20 AND contracted 6 month revenue exceeding AUD$3m (i.e AUD$6m annualised contracted revenue run rate)	30,000,000
Tranche 4 - 5 year period, will vest upon 30 day VWAP exceeding AUD$0.20 AND contracted 6 month EBITDA exceeding AUD$1m (i.e AUD$2m annualised EBITDA run rate)	30,000,000

Notes

1. Assumes no further securities are issued prior to completion of the acquisition, other than as set out in the table.
2. This figure comprises 20,500,000 unlisted options each exercisable at AUD$0.029 on or before 21 February 2016, 2,500,000 unlisted options each exercisable at AUD$0.024 on or before 10 April 2016 and 30,000,000 unlisted options each exercisable at AUD$0.008 on or before 7 February 2017.
3. The Consolidation is the indicative rate on the basis of 45:1.
4. This figure comprises 455,556 unlisted options each exercisable at AUD$1.31 on or before 21 February 2016, 55,555 unlisted options each exercisable at AUD$1.08 on or before 10 April 2016, 666,667 unlisted options each exercisable at AUD$0.36 on or before 7 February 2017 and 5,522,668 options each exercisable at AUD$0.05 on or before 31 December 2017.
5. The post-consolidation capital raising (1 for 2) unlisted options will be exercisable at AUD$0.05 on or before 31 December 2017.
6. ShareRoot has raised AUD$500,000 via a convertible note issue. These convertible notes will be acquired via the transaction.
7. The Advisor Options will be exercisable at the price of AUD$0.05 for a period of 5 years and subject to ASX escrow provisions.

This is a statement of current intentions. Intervening events may alter how the Company funds the acquisition which may impact the proposed capital structure.