



**MSM CORPORATION INTERNATIONAL LIMITED
ACN 002 529 160**

CLEANSING PROSPECTUS

THIS PROSPECTUS IS BEING ISSUED FOR THE OFFER OF UP TO 500 SHARES AT \$0.20 PER SHARE TO RAISE UP TO \$100.

THIS PROSPECTUS HAS BEEN ISSUED FOR THE PRIMARY PURPOSE OF SECTION 708A(11) OF THE CORPORATIONS ACT TO REMOVE ANY TRADING RESTRICTIONS ON THE SALE OF SHARES ISSUED BY THE COMPANY PRIOR TO THE CLOSING DATE.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

AN INVESTMENT IN THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS SHOULD BE CONSIDERED OF A SPECULATIVE NATURE.

IMPORTANT INFORMATION

This Prospectus is dated 16 August 2017 and was lodged with the ASIC on that date with the consent of all Directors. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 8, 90 Collins Street, Melbourne, Victoria, during normal business hours.

The Shares offered by this Prospectus should be considered speculative. The key risk factors of which investors should be aware are summarised in Section 3, including (but not limited to) risks in respect of:

- Attracting, retaining and engaging consumers: The success of the Company's business depends on its ability to attract, retain and engage consumers to the Megastar Platform, of which there can be no certainty of success.
- Reliance on key personnel: The loss of any key person or the inability to find new key persons could have a material adverse effect on the business.
- Additional requirements for capital: Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all.
- Maintenance of key, influential business partner relationships: The Company relies on relationships with key, influential business partners to enable it to develop the Megastar Platform and will continue to rely on these relationships to run the Contests. There can be no assurance that such relationships will continue or that the Company may be able to readily procure alternates should such relationships be terminated.
- Third party competition: A rival product offering or technology developments by competitors may have a materially adverse effect on the prospects of the Company.
- Intellectual property risks: The Company's intellectual property rights are critical to its success. Unauthorised use of its intellectual property may result in an adverse effect on the Company. The Company may also experience conflict with third parties who may contest intellectual property rights.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

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

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of the Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Mr Adam Wellisch Non-Executive Chairman
Mr Dion Sullivan Managing Director
Ms Sophie McGill Executive Director
Mr Mark Clements Non-Executive Director

Company Secretary

Mr Mark Clements

Registered and Principal Office

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MELBOURNE Victoria 3000
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Email: press@msmci.com
Website: www.msmci.com

ASX Code:

MSM

Share Registry*

Advanced Share Registry Ltd
110 Stirling Highway
NEDLANDS WA 6009

Phone: +61 8 9389 8033

Fax: +61 8 9262 3723

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Solicitors

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

PROPOSED TIMETABLE

Lodgement of Prospectus with ASIC and ASX	16 August 2017
Opening Date	16 August 2017
Closing Date	17 August 2017
Issue date of New Shares	17 August 2017
Commencement of New Shares trading	18 August 2017

These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

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1. Details of the Offer

1.1 Summary of the Offer

The Company is offering, pursuant to this Prospectus, up to 500 Shares at an issue price of \$0.20 each, to raise up to \$100 (before costs) (**Offer**).

The Offer will only be extended to specific parties on invitation of the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 4.13 for further details relating to the estimated expenses of the Offer.

1.2 Previous issues of Shares

The Company will issue, on or about 17 August 2017, the following Shares as outlined below:

- (a) 43,150,000 Shares at an issue price of \$0.20 per Share by way of a private placement raising \$8.63 million (before costs); and
- (b) 7,210,000 Shares at a deemed issue price of \$0.20 per Share on conversion of loans advanced to the Company;
- (c) 1,000,000 Shares to ROAR, LLC. (or its nominees) in consideration for services rendered to the Company; and
- (d) 279,276 Shares are to be issued under the incentive component of employee remuneration packages in accordance with the Company's Stock Incentive Plan approved by Shareholders at the annual general meeting held on 29 November 2016,

(together, **Additional Share Issues**).

The Additional Share Issues will be issued without disclosure under Part 6D.2 of the Corporations Act, to sophisticated and professional investors in accordance with sections 708(8) and (11) of the Corporations Act, respectively, and to parties to whom Chapter 6D of the Corporations Act does not apply as it related to an offer of securities received outside of the jurisdiction in accordance with section 700(4) of the Corporations Act.

1.3 Purpose of the Prospectus

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

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

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to Securities issued by the Company prior to the Closing Date, including the Additional Share Issues, so that the holders of the Additional Share Issues, if they choose to, may sell those Shares within the next twelve months without the issue of a prospectus.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the Additional Share Issues do not breach section 707(3) of the Corporations Act.

The New Shares will be issued under the Company's existing placement capacity under Listing Rule 7.1.

1.4 Issue Date and dispatch

All New Shares are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the New Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements do so at their own risk.

1.5 Application Monies held on trust

All Application Monies received for the New Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued under the Offer. All Application Monies received in respect of the Offer will be returned (without interest) if the New Shares under the Offer are not issued.

1.6 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for Official Quotation of the New Shares. If permission is not granted by ASX for the Official Quotation of the New Shares offered by this Prospectus within 3 months after

the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.7 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Advanced Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.8 International Offer Restrictions

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia.

1.9 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to investors resident in Australia. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

1.10 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Shares.

1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company is outlined in the following documents:

- (a) Quarterly Activities and Cashflow Report for the quarter ended 30 June 2017 announced on ASX on 31 July 2017;
- (b) Quarterly Activities and Cashflow Report for the quarter ended 31 March 2017 announced on ASX on 1 May 2017;
- (c) Half Yearly Report and Accounts for the half-year ended 31 December 2016 announced on ASX on 1 March 2017;
- (d) Quarterly Activities and Cashflow Report for the quarter ended 31 December 2016 announced on ASX on 31 January 2017;
- (e) Quarterly Activities and Cashflow Reports for the quarter ended 30 September 2016 announced on ASX on 31 October 2016; and
- (f) Annual Financial Report for the year ended 30 June 2016 announced on ASX on 30 September 2016.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 30 September 2016 is listed in Section 4.3.

1.12 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.13 Effect of the Offer on control of the Company

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

2. Application for Shares

Applications for New Shares under this Prospectus must be made only at the direction of the Company, and on the Application Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the issue price of \$0.20 per New Share.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "MSM Corporation International Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's office (by delivery or by post) at:

MSM Corporation International Limited
Level 8, 90 Collins Street
MELBOURNE Victoria 3000

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the application as valid and how to construe, amend or complete the Application Form, is final.

By completing and returning your Application Form with the requisite Application Monies you will be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you have a registered address in Australia;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation

that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and

- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the United States Securities Act of 1933, as amended.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 3 9015 4036.

3. Risk Factors

An investment in Shares offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in the Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Risks specific to the Company

(a) Failure to attract, retain and engage consumers

The revenue streams for the Company depend on its ability to attract, retain and engage consumers to the Megastar Platform. There is a risk that the Company may be unable to attract, retain and engage sufficient consumers for the potential revenue streams to materialise or be sufficient for the continued operation of the business.

(b) Reliance on key personnel

The success of the Company's business depends on the ability of the Directors and officers of the Company to develop the business and manage operations, and on their ability to attract and retain key product development, technical, engineering, business development and marketing staff, as well as key providers such as talent managers and judges for the Contest.

The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the business. Competition for qualified technical, sales and marketing staff can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future. A shortage of qualified staff could also cause wage inflation, which may impact on the Company's profitability.

(c) Additional requirements for capital

Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses, which the Company may incur. If such events occur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its activities and potential development programs. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might

not be favourable to the Company and might involve substantial dilution to Shareholders.

(d) Maintenance of key, influential business partner relationships

The Company relies on relationships with key, influential business partners (including but not limited to ToneDen, Digital Riot Media, ROAR, Traction, Manifeste Marketing, Hub Entertainment Research, Dance-On and Influential) to enable it to develop the Megastar Platform and run the Contests (refer to the Company's announcement dated 15 June 2017 for further information).

In the event that any of these relationships are terminated, the Company would seek to replace them with alternate business partners, however such alternates may not be readily available, or available on reasonable terms, and this could impact the Company's financial position.

(e) Risk of third party competitors

The industry in which the Company is involved is subject to increasing global competition which is fast-paced and fast-changing. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company's business. For instance, new technologies and products could overtake the innovativeness of the Megastar Platform. In that case, the Company's revenues and profitability could be adversely affected.

The cost and time for a competitor to develop a competing product offering to the Megastar Platform may not be significant (particularly for a larger competitor with access to funding and resources). This may result in a heightened risk of competition to the Company. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of the Company.

(f) MSM intellectual property rights

The Company has lodged a non-provisional patent application under the Patent Cooperation Treaty (PCT) having a priority date of 2 October 2016. Currently there are approximately 152 countries/regions contracted under the PCT, including Australia and US, for which protection can be sought. One or more "national phase entry" patent application are then to be filed in desired regions/countries within at least thirty (30 months) from the priority date.

Furthermore, the Company has lodged two additional provisional applications in the United States to protect its intellectual property interests in the United States while also securing foreign priority for its patent rights. The United States provisional application process provides the Company with foreign priority for subsequent patent applications filed in countries that are signatories to the Paris Convention which recognise patent priority in each of those signatory countries. The Company's provisional patent applications in the United States creates a priority date that can be used to establish priority in any Paris Convention country. In the coming months, the Company plans to file at least two non-provisional patent applications under the PCT that claim priority to its United States provisional patent application filings.

The prospect of attaining patent protection for products such those to be used in the business of the Company is highly uncertain and involves complex and continually evolving factual and legal questions. These include legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect the Company's ability to obtain patents for its products.

MSM Holdings Pte. Ltd., a wholly owned subsidiary of the Company, has lodged applications for registration of trademarks for "Megastar Millionaire", "Megastar", "Megastar Live", "MSM", and the "M" logo in with the United States Patent and Trademark Office. These applications were also lodged in foreign jurisdictions pursuant to the international Madrid-Protocol.

In the United States, "Megastar Millionaire" is a fully registered trademark, "Megastar" and the "M" logo have each been reviewed by the Examiner and published for opposition, and a notice of allowance has issued for "MSM". So long as no outside party opposes "Megastar" or the "M" logo within the statutory opposition period, each will proceed to registration. The Company believes it is unlikely to face opposition.

In Australia, "Megastar Millionaire" has been accepted by the Australian Trademark Office, and has been published for opposition. So long as no outside party opposes the "Megastar Millionaire", it will proceed to registration. The Company believes it unlikely to face opposition. The "MSM" mark is a fully registered trademark, and all other listed marks are pending under the Madrid Protocol.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement or to establish validity of its rights. Any litigation, whether or not successful, could result in significant expense to the Company and cause a distraction to management.

Any expansion of the Contests into other jurisdictions will be subject to the Company being able to secure sufficient intellectual property protection.

(g) Infringement of third party intellectual property

If a third party accuses the Company of infringing its intellectual property or if a third party commences litigation against the Company for infringement of its intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that the Company may incur in defending such third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing or commercialising the Megastar Platform. In the event of a successful claim for infringement against the Company, it may be required to pay damages and obtain one or more licenses or consents from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, or at all, it could encounter delays in developing and commercialising the Megastar Platform and loss of substantial resources while it attempts to rebrand or adjust the Contest structure or the Megastar Platform.

Defence of any lawsuit or failure to obtain any of these licenses or consents could prevent the Company from commercialising the Megastar Platform and could cause it to incur substantial expenditure.

Although the Board is not aware of any third party interests in relation to the intellectual property rights to be utilised by the Megastar Platform, and the Company has taken steps to protect and confirm its interest in the required intellectual property rights, there is always a risk of third parties alleging that their intellectual property rights have been infringed. In particular, the Company notes that it is aware of the existence of registered trademarks which may be considered similar to those trademarks proposed to be used by MSM. If all or some of Company's trademark applications are not granted, the Company may consider "rebranding" the MSM business to, amongst other things, reduce the risk of a claim of trademark infringement.

(h) Technology and development risks

The Company is subject to a number of technological and development risks which may result in unforeseen and unavoidable delays. These risks include, amongst other things, overestimating the ease at which the technology can be developed for the Megastar Platform, issues in developing the code, availability of appropriately skilled third parties, and unforeseen bugs and errors.

While the development of the technology per se is not considered to be particularly difficult or unique, the risk lies in developing a quality product. In order for the Company's business plan to succeed, the Megastar Platform must offer a quality product. A product which may be functional, but of a low quality, is unlikely to result in the consumer retention and engagement required for the Company's business plan to succeed.

(i) Regulatory risks

The environment in which the Company's business operates is subject to complex and evolving policies, laws and regulations regarding privacy, data protection, defamation, obscene material, content regulation, intellectual property (see further above), competition, distribution of electronic contracts and other communications, protection of minors, consumer protection, taxation, online payment services and advertising and marketing standards.

Foreign data protection, privacy, and other laws and regulations are often more restrictive than those in Australia. In some cases, laws or regulations in one country may be inconsistent with, or contrary to, those of another country.

The media industry in the United States, Great Britain, Australia, Canada, New Zealand and South Africa and other places around the world within which the Megastar Platform may extend has the potential to become subject to even higher levels of regulation by government. It is likely applicable laws and regulations will continue to change in an effort to keep up with the rapidly evolving industry. Due to their evolving nature, many of these laws and regulations are subject to uncertain interpretation. It is difficult to predict how existing and new laws and regulations will be applied to the Company or its business. It is possible that they may be interpreted and applied in a manner that is inconsistent with current practices or detrimental to the Company.

Existing and new laws and regulations applicable to the media and technology industry can be costly to comply with, delay or impede the development of new products and services, require changes to business practices, result in negative publicity, lead to declines in user growth or engagement, require significant time and attention of management and technical personnel and subject the Company to inquiries or investigations, claims or other remedies, including monetary penalties, or otherwise harm the Company business.

The Company has considered the key laws and regulations in the United States, Great Britain, Australia, Canada, New Zealand and South Africa which are likely to apply to the Megastar Platform and the Contests and is not aware of any potential issues.

Any expansion of the Contests into other jurisdictions will be subject to the Company being able to operate the Contest and the Megastar Platform within the jurisdiction's legal and regulatory framework.

(j) Reliance on core information technology and other systems

The operation of the Megastar Platform is dependent upon the performance, reliability and availability of its information technology and security systems. This includes its core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war or breakdown in utilities such as electricity and fibre optic cabling. Events of that nature may cause or one more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. The Company's disaster recovery plans may not cover loss or damage that is suffered as a result of such a system failure.

Any damage to, or failure of, the key systems of the Megastar Platform may affect the Company's ability to operate its business. Such disruptions have the potential to reduce the Company's ability to generate revenue, impact consumer service levels and damage the brand of Megastar.

The media and technology industry is also subject to rapid and significant changes in technology and the impact of these changes on the Company cannot be predicted. The costs associated with implementing emerging and future technology changes may be significant.

(k) Reliance on third party platforms

The Company utilises third party hardware ('smartphones'), software ('mobile operating systems') and distribution ('app stores') platforms for commercialisation of the Megastar Platform. If access to these third party platforms were terminated or reduced, the Company's operations and business would be adversely affected.

The business model of the Company is dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which the Megastar Platform may not function as intended, which could impact on the profitability of the Company.

(l) Outsourcing to third parties

The Company is required to outsource key components of the development of the Megastar Platform to third party consultants and experts and organisations. There is no guarantee that such consultants and experts or organisations will be available as required or will meet expectations.

(m) Reputational risks

The Company operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled consumers about the Company and its key management personnel and other persons involved in the Contests such as celebrity judges may have a disproportionate effect on the Company's reputation and its ability to earn revenues and profits. Additionally, complaints by such consumers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's profitability.

(n) Security breaches and hacker attacks

A malicious attack on the Megastar Platform or the Company's other products, systems, processes or people from external or internal sources could put the integrity and privacy of consumers' data and business systems used by the Company at risk.

The impact of loss or leakage of consumer or business data could include costs for rebates, potential service disruption, litigation and brand damage, resulting in reduced or failing revenues.

The Company will continue to follow best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise risks.

(o) Increased investment in product development and support

There is a risk that developing, maintaining and upgrading the Megastar Platform as required on an ongoing basis as well as new product development may lead to a higher than anticipated investment spend on information technology development.

(p) Foreign exchange risks

As most of the Company's operations including the first Contest will be based out of the United States and Contests may be offered on a global basis in the future, it is likely that the Company's costs and expenses will be denominated in foreign currency. Accordingly, the depreciation and/or the appreciation of the relevant foreign currency relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue, profit and earning. The Company could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.

(q) **Legacy mining interest**

The Company continues to hold a minority interest in the Skardon Kaolin Project in Cape York Peninsula, Queensland (**Skardon Project**). As previously disclosed, it is the Company's intention to dispose of its interest in the Skardon Project, ideally in a manner which realises some value for Shareholders. There is a risk that the Company will not be able to dispose of this interest on favourable terms. There is also a risk that the Company may incur liabilities in respect of the interest, although it is not presently incurring any expenses in respect of the Skardon Project.

3.2 General Risks

(a) **Investment risk**

The Securities to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share market**

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and
- (vii) other factors beyond the control of the Company.

(c) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the media and technology industries including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the media and technology sector;

- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
 - (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.
- (d) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.
- (e) **Insurance risks**

The Company insures its operations in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company affected.
- (f) **Litigation risks**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property claims. Further, the Company may be involved in disputes with other parties in the future, which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation that is material for the purposes of this Prospectus.

3.3 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4. Additional information

4.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

4.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit report or review. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below). Copies of all documents announced to the ASX can be found at www.msmci.com.au.

4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2016 and the half-year ended 31 December 2016, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph 4.3(a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
14/08/2017	Reinstatement to Official Quotation

Date lodged	Subject of Announcement
14/08/2017	International Superstar, Usher Joins MSM as Mentor and Judge
14/08/2017	MSM Successfully Raises \$10.5M Ahead of Global Launch
2/08/2017	Updated RaaS Advisory Analyst Research Published
31/07/2017	Extension to Voluntary Suspension
31/07/2017	Megastar Launches in Canada with Live Streaming
31/07/2017	Quarterly Activities and Cashflow Report - June
24/07/2017	Appendix 3B - Exercise of Options
17/07/2017	Global Launch Building with Megastar Now Live in NZ
12/07/2017	Suspension from Official Quotation
10/07/2017	Trading Halt
7/07/2017	Megastar Audience Reach Approaches 60 Million
3/07/2017	Megastar Launched in Great Britain and South Africa
3/07/2017	Expiry of Options
27/06/2017	Megastar Expands Audience Reach To Over 50 Million
15/06/2017	Megastar Pre-Launch Corporate Presentation
8/06/2017	Megastar Marketing Gains Pace
25/05/2017	Megastar to Feature Fullscreen Media Talent
16/05/2017	RaaS Advisory Publishes Megastar Analyst Research
9/05/2017	Megastar Audience Reach Hits 25 Million
4/05/2017	Megastar Launch Roadmap
1/05/2017	Quarterly Activities and Cashflow Reports - March
13/04/2017	Appendix 3B
10/04/2017	Investment in the Influential Network Inc
31/03/2017	Section 708A Notice and Appendix 3B
27/03/2017	Former X Factor Boss Joins Megastar as Executive Producer
24/03/2017	Section 708A Notice
24/03/2017	Appendix 3B

Date lodged	Subject of Announcement
22/03/2017	Megastar Engages Global Internet Comedy Trio
13/03/2017	Appendix 3B
7/03/2017	Section 708A Notice and Appendix 3B
7/03/2017	Megastar Advances Engagement with Celebrity Talent
2/03/2017	Launch of Social Influencer Campaign
1/03/2017	Half Yearly Report and Accounts

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.14 and the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

4.5 Transaction specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

4.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.7 Substantial Shareholders

Based on the substantial holder notices provided to the Company and lodged with ASX, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Douglas Barry	16,546,763	5.32% ¹

- 1) As at the date of this Prospectus. After the issue of the Shares described in Section 1.2, Mr Barry's voting power will be diluted to 4.56%.

4.8 Market price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.270 on 15 August 2017

Lowest: \$0.195 on 7 July 2017

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.220 per Share on 15 August 2017.

4.9 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.10 Interests of Directors

(a) Security holdings

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.

No Securities will be issued to any of the Directors under the Offer.

Director	Shares	Options	Performance Rights	Performance Shares
Adam Wellisch ¹	9,712,230	6,000,000 ²	1,200,000 ³	12,949,640 ⁴
Dion Sullivan ⁵	7,244,388	6,000,000 ²	2,400,000 ³	9,352,517 ⁶
Sophie McGill ⁷	216,941	2,000,000 ⁸	1,200,000 ³	Nil
Mark Clements	6,856,115 ⁹	Nil	1,200,000 ^{3,10}	7,808,152 ¹¹

Notes:

- 1) Mr Wellisch's interests are held indirectly by the Welson Family A/C, of which Adam Wellisch is a beneficiary.
- 2) Options exercisable at \$0.10 each on or before 7 November 2019.
- 3) Performance Rights are subject to vesting conditions and expire if not vested and converted on or before 29 December 2021.
- 4) Comprised of:
 - a) 6,474,821 class A Performance Shares subject to vesting conditions to be satisfied on or before 29 December 2018 and subject to escrow until 13 January 2018; and
 - b) 6,474,819 class B Performance Shares subject to vesting conditions to be satisfied on or before 29 December 2020 and subject to escrow until 13 January 2018.
- 5) Mr Sullivan's interests are held directly by Mr Sullivan.

- 6) Comprised of:
 - a) 4,676,259 class A Performance Shares subject to vesting conditions to be satisfied on or before 29 December 2018 and subject to escrow until 13 January 2018; and
 - b) 4,676,258 class B Performance Shares subject to vesting conditions to be satisfied on or before 29 December 2020 and subject to escrow until 13 January 2018.
- 7) Ms McGill's interests are held indirectly by Petticoat Mafia Pty Ltd as trustee for the Petticoat Mafia A/C, of which Sophie McGill is a director and beneficiary.
- 8) Options exercisable at \$0.125 each on or before 18 March 2020, subject to vesting conditions pursuant to which the Options vest and become exercisable in six tranches over a three year term from 26 April 2016, subject to the satisfaction of employment conditions at the time of vesting.
- 9) Comprised of 1,000,000 Shares held indirectly by Balion Pty Ltd as trustee for the Clements Family Trust, of which Mark Clements is a director and beneficiary, and 5,856,115 Shares held indirectly by Beretta Nickel Pty Ltd, of which Mr Clements is the sole director and shareholder.
- 10) Held by Balion Pty Ltd as trustee for the Clements Family Trust, of which Mark Clements is a director and beneficiary.
- 11) Comprised of:
 - a) 666,666 class A Performance Shares held by Balion Pty Ltd as trustee for the Clements Family Trust, of which Mark Clements is a director and beneficiary, and 3,237,410 class A Performance Shares held by Beretta Nickel Pty Ltd, of which Mr Clements is the sole director and shareholder.
 - b) 666,666 class B Performance Shares held by Balion Pty Ltd as trustee for the Clements Family Trust, of which Mark Clements is a director and beneficiary, and 3,237,410 class B Performance Shares held by Beretta Nickel Pty Ltd, of which Mr Clements is the sole director and shareholder.

(b) Remuneration

The Constitution provides that the Non-Executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, or until so determined, as the Directors resolve. The current aggregate amount to be paid to non-executive Directors is \$250,000. The Board may allocate this pool (or part of it) at its discretion.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The remuneration of Executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Board. The Company currently has two Executive Directors, Mr Dion Sullivan (Managing Director) and Ms Sophie McGill (Executive Director). The remuneration for the Executive Directors is outlined below:

(i) Dion Sullivan

- (A) The total annual base salary payable to Mr Sullivan is US\$275,000 per annum.
- (B) The total annual base salary payable to Mr Sullivan shall be reviewed annually, and must be increased by at least 3% and no more than 10% for the second and third 12-month periods of employment.

- (C) Mr Sullivan shall also be paid a performance bonus of up to 40% of his base salary upon performance milestones each calendar year. The determination of whether a performance milestone has been satisfied shall be made by the Company, acting reasonably. The performance milestone may be issued in cash or Shares at the discretion of the Company, however the maximum proportion that may be paid in equity each year is 50%, unless otherwise agreed by the Company and Mr Sullivan.
- (D) Mr Sullivan is also entitled to vacation, accident, disability, dental and life insurance, 401(k) (a retirement savings plan) and other benefits available to other Company employees.

(ii) **Sophie McGill**

- (A) The total amount payable to Ms McGill is \$240,000 per annum and is made up of monthly payments of \$20,000 which consist of:
 - (1) \$17,000 per month payable as a consultancy fee; and
 - (2) \$3,000 per month payable as a Director's fee.
- (B) Ms McGill has also been issued equity securities in part consideration of services provided to the Company (refer to the table in Section 4.10(a) for details of Ms McGill's security holding).
- (C) The terms of the agreement between Ms McGill and the Company shall be reviewed at least once every year.
- (D) The Company will reimburse Ms McGill for all reasonable out-of-pocket expenses necessarily incurred by Ms McGill in her provision of the services to the Company.

The table below sets out the remuneration provided to the Directors and their associated companies during the last two financial years, inclusive of directors fees, consultancy fees, share-based payments and superannuation.

Director	Financial Year ended 30 June 2017			
	Short-Term Benefits (\$)	Post-Employment Benefits (\$)	Share Based Payments (\$)	TOTAL (\$)
Adam Wellisch	120,000	-	41,067	161,067
Dion Sullivan	395,228	-	41,067	436,295
Sophie McGill	263,044	-	194,191	457,235
Mark Clements	99,000	-	-	99,000

Director	Financial Year ended 30 June 2016			
	Short-Term Benefits (\$)	Post-Employment Benefits (\$)	Share Based Payments (\$)	TOTAL (\$)
Adam Wellisch ¹	60,000	-	235,116	295,116
Dion Sullivan ¹	163,694	-	235,116	398,810
Sophie McGill ²	27,885	-	23,927	51,812
Mark Clements ³	50,805	-	-	50,805
Matthew Foy ⁴	15,000	-	-	15,000
Andrew Tunks ⁵	12,000	-	-	12,000
Nicholas Ong ⁵	9,000	-	-	9,000
TOTAL	338,384	-	494,159	832,543

Notes:

- 1) Mr Wellisch and Mr Sullivan were both appointed 29 December 2015.
- 2) Ms McGill was appointed 26 April 2016.
- 3) Mr Clements was appointed 12 January 2016.
- 4) Mr Foy resigned 12 January 2016.
- 5) Mr Ong and Mr Tunks both resigned 29 December 2015.

(c) Information disclosed in this Prospectus

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

4.11 Related party transactions

There are no related party transactions involved in the Offer that are not otherwise described in this Prospectus.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

4.12 Interests of other persons

Except as disclosed in this Prospectus, no underwriter, expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

4.13 Expenses of Offer

Estimated expenses of the Offers	\$
ASIC lodgement fee	2,400
ASX quotation fee	1,838
Legal and preparation expenses	5,000
Total	9,238

4.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, and any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than

a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Bellanhouse has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. Bellanhouse has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'M Clements', is positioned above the printed name and title.

Mr Mark Clements
Non-Executive Director & Company Secretary
Dated: 16 August 2017

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Advanced Share Registry or **Share Registry** means Advanced Share Registry Ltd (ACN 127 175 946).

Applicant means a person who submits an Application Form.

Application Form means the Application Form provided by the Company with a copy of this Prospectus.

Application Monies means the amount of money in dollars and cents payable for New Shares at the Offer price per Share pursuant to the Offer.

ASIC means Australian Securities and Investments Commission.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means 5:00pm (WST) on the closing date identified in the proposed timetable, as may be adjusted.

Company means MSM Corporation International Limited (ACN 002 529 160).

Constitution means the constitution of the Company as at the date of this Prospectus.

Contest means an online talent search contest being developed by the Company which is proposed to be conducted through the Megastar Platform.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company as at the date of this Prospectus.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the official listing rules of ASX and any other rules of ASX which are applicable while any Securities are admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express waiver by ASX.

Megastar Platform means the software platform being developed by the Company across which the Contests are proposed to be operated.

New Share means a Share to be issued pursuant to this Prospectus.

Offer means the offer under this Prospectus to subscribe for New Shares.

Optionholder means the holder of an Option.

Options mean options to acquire Shares, subject to specified terms and conditions.

Performance Rights means rights to acquire Shares, subject to specified terms and conditions.

Performance Shares means the performance shares issued by the Company on 29 December 2015, with the terms and conditions summarised in the Company's prospectus dated 2 November 2015.

Prospectus means this prospectus dated 16 August 2017.

Section means a section of this Prospectus.

Securities means Shares and/or Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Skardon Project has the meaning given in Section 3.1(q).

US\$ means United States dollars.

WST means Western Standard Time.