

MSM CORPORATION INTERNATIONAL LIMITED
ACN 002 529 160

PROSPECTUS – OPTIONS PLACEMENT

For an offer of up to 137,237,197 New Options at an issue price of \$0.001 per New Option to raise up to approximately \$137,237 (**Placement Offer**).

The Placement Offer is fully underwritten by Barclay Wells Limited (AFSL 235070). Please refer to Section 8.4 for details of the terms of the underwriting agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Adam Wellisch
Non-Executive Chairman

Mark Clements
Non-Executive Director

Chris Jones
Non-Executive Director

Company Secretary

Mark Clements

ASX Code

MSM

Share Registry*

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

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+61 8 9389 8033 (International)

Facsimile: +61 8 9262 3723

Registered Office

Level 8
90 Collins Street
MELBOURNE VIC 3000

Telephone: +61 3 9013 7466
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Website: www.msmci.com

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager and Underwriter

Barclay Wells Limited (AFSL: 235070)
1/22 Railway Road, Subiaco WA
6008

Sub-underwriter

Vert Capital Pty Ltd (AFS
Representative Number: 001278768)
326 Rokeby Road
SUBIACO WA 6008
as Corporate Authorised
Representative of Barclay Wells
Limited

Auditor*

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

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

2. INDICATIVE TIMETABLE

Record Date for determining Eligible Participants in the Placement Offer	7 November 2019
Lodgement of Prospectus	27 November 2019
Opening Date of the Offers	27 November 2019
Annual General Meeting of Shareholders	29 November 2019
Closing Date of the Offers*	13 December 2019
Despatch of holding statements	17 December 2019
Inform Underwriter of Shortfall	19 December 2019
Issue of Shortfall to Underwriter	27 December 2019

** The above dates are indicative only and may change without notice. The Directors reserve the right to bring forward or extend the Closing Date of the Offers at any time after the Opening Date of the Offers without notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants.*

3. IMPORTANT NOTES

3.1 Introduction

This Prospectus is dated 27 November 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Securities offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

The Placement Offer is only being made to Eligible Participants. In addition:

- (a) the Director Offer is only being made available for application by Directors; and
- (b) the Lead Manager Offer is only being made available for application by the Lead Manager.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for New Options offered pursuant the Placement Offer can only be submitted on an original Application Form.

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.

3.2 Conditional Offers

Potential investors should be aware that the Company is seeking the approval of Shareholders to a number of resolutions relevant to undertaking each of the Offers at the Annual General Meeting. Specifically, it should be noted that:

- (a) the Placement Offer is conditional on Shareholders approving the issue of the New Options (refer to resolution 6 in the Notice of AGM);
- (b) the Director Offer is conditional on Shareholders approving the issue of Shares to Messrs Wellisch and Clements (resolutions 4 and 5 in the Notice of AGM); and
- (c) the Lead Manager Offer is conditional on Shareholders approving the issue of 18,234,232 New Options offered under the Lead Manager Offer (resolution 10 in the Notice of AGM).

In the event that Shareholders do not approve the issue of New Options under the Placement Offer, the Placement Offer will not proceed. If this occurs, no New Options will be issued pursuant to the Placement Offer and Applicants will be refunded their application monies without interest and otherwise in accordance with the Corporations Act.

In addition, in the event that Shareholders do not approve:

- (a) the issue of Shares under the Director Offer, the Director Offer will not proceed; and
- (b) the issue of New Options under the Lead Manager Offer, then the Lead Manager Offer will not proceed.

3.3 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.4 Forward-looking statements

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 expected to take place.

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 Company's management.

The Company cannot and does 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 Company has 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. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFERS

4.1 The Placement Offer

4.1.1 Background

On 7 November 2019, 137,237,197 MSMOA Options expired without being exercised. The Company is undertaking the Placement Offer for the primary purpose of providing eligible holders of the MSMOA Options the opportunity to continue to participate in the ongoing development of the Company. Adam Wellisch, Mark Clements and Chris Jones, being the existing Directors, are holders of MSMOA Options and wish to participate in the Placement Offer.

As Mr Wellisch, Mr Clements and Mr Jones are related parties of the Company by virtue of being Directors, the Company is seeking Shareholder approval for the issue of New Options to them under their proposed participation in the Placement Offer (refer to resolutions 7 to 9 in the Notice of AGM).

4.1.2 Details

This Prospectus invites Eligible Participants to participate in the placement of up to 137,237,197 New Options exercisable at \$0.04 each expiring 3 years from the date of issue at an issue price of \$0.001 per New Option.

The Offer is being made available for application by all Eligible Participants on the basis of one (1) New Option for every one (1) MSMOA Option held by an Eligible Participant on the Record Date (refer to Section 5.1). New Options not taken up by Eligible Participants will be subscribed for or placed by the Underwriter.

All New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1 of this Prospectus. All Shares issued upon the future exercise of the New Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 The Additional Offers

4.2.1 The Director Offer

This Prospectus includes the offer of 4,666,667 Shares to Adam Wellisch and Mark Clements (or their respective nominees), who are Directors, in lieu of fees owing to them. Under the Director Offer:

- (a) Mr Wellisch is to be offered 666,667 Shares in consideration for outstanding Director fees; and
- (b) Mr Clements is to be offered 4,000,000 Shares in consideration for outstanding company secretarial fees.

The Shares offered under the Director Offer will rank equally with the existing Shares on issue. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to Shares.

Application for quotation of the Shares issued under the Director Offer will be made to ASX no later than 7 days after the date of this Prospectus. Only the

Directors noted above may accept the Director Offer. A personalised Application Form in relation to the Director Offer will be issued to Mr Wellisch and Mr Clements together with a copy of this Prospectus.

4.2.2 The Lead Manager Offer

This Prospectus includes the offer of 18,234,232 New Options to be issued to the Lead Manager (or its nominee) in consideration for lead manager and underwriting services provided by the Lead Manager to the Company in relation to the Placement Offer. The New Options offered under the Lead Manager Offer will be issued on the terms and conditions set out in Section 6.1.

Only Barclay Wells Limited, the Lead Manager (or its nominee), may accept the Lead Manager Offer. A personalised Application Form in relation to the Lead Manager Offer will be issued to Barclay Wells Limited (or its nominee) together with a copy of this Prospectus. The Placement Offer is fully sub-underwritten by Vert Capital Pty Ltd (AFS Representative Number 001278768), a corporate authorised representative of the Lead Manager and it is anticipated that the New Options the subject of the Lead Manager Offer will be issued to Vert Capital Pty Ltd.

4.3 Minimum subscription

There is no minimum subscription under the Placement Offer and there is no provision for oversubscriptions.

4.4 Offer Period

The Placement Offer will open on 27 November 2019 and close at 5:00 pm WST on 13 December 2019 or such later date as the Directors, in their absolute discretion and subject to compliance with the ASX Listing Rules and the Corporations Act, may determine.

4.5 Acceptance

Your acceptance of the Placement Offer must be made by following the instructions on the Application Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Placement Offer as follows:

- (a) accept your **full** Entitlement;
- (b) accept **part** of your Entitlement; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.6 Payment

By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**MSM Corporation International Limited**” and crossed “**Not Negotiable**”.

Your completed Application Form and cheque must reach the Company’s share registry no later than 5:00 pm WST on the Closing Date.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Options which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of New Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.7 Implications on acceptance

Returning a completed Application Form will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Application Form, and read them both in their entirety; and
- (b) you acknowledge that once the Application Form is returned the application may not be varied or withdrawn except as required by law.

4.8 Lead Manager and Underwriting

The Placement Offer is underwritten. Barclay Wells Limited has been appointed as the Lead Manager and the Underwriter to the Placement Offer. Please refer to Section 8.4 of this Prospectus for summaries of the respective lead manager and underwriting agreements and fees payable to Barclay Wells Limited. The Placement Offer is fully sub-underwritten by Vert Capital Pty Ltd (AFS Representative Number 001278768), a corporate authorised representative of the Lead Manager and it is anticipated that the New Options the subject of the Lead Manager Offer will be issued to Vert Capital Pty Ltd.

4.9 Effect of control on the Company

The Placement Offer will result in the issue of New Options and is fully underwritten by Barclay Wells Limited and fully sub-underwritten by Vert Capital Pty Ltd. In addition, it is anticipated that Vert Capital Pty Ltd will also be issued the New Options pursuant to the Lead Manager Offer. Shareholders should be aware that the extent to which:

- (a) New Options are issued to Vert Capital Pty Ltd under its sub-underwriting arrangements with the Underwriter in addition to those New Options anticipated to be issued to Vert Capital Pty Ltd pursuant to the Lead Manager Offer; and

(b) New Options issued to Vert Capital Pty Ltd are converted to Shares,

could result in Vert Capital Pty Ltd acquiring a voting power in the Company. The Underwriter and Vert Capital Pty Ltd are not related parties of the Company for the purpose of the Corporations Act. Vert Capital Pty Ltd's present relevant interest in the Shares of the Company and changes under several scenarios are set out in the table below:

Event	Shares held by Vert Capital Pty Ltd	Voting power of Vert Capital Pty Ltd
Date of Prospectus	Nil	Nil
Completion of Offers		
Fully subscribed by Eligible Participants	18,234,232	2.13%
75% subscribed by Eligible Participants	52,543,531	5.89%
50% subscribed by Eligible Participants	86,852,831	9.38%
25% subscribed by Eligible Participants	121,162,130	12.61%
0% subscribed by Eligible Participants	155,471,429	15.63%

Notes:

The above table assumes that:

1. The Director Offer and the Lead Manager Offer are completed.
2. All New Options issued to Vert Capital Pty Ltd are converted to Shares.
3. No other Options (including New Options) are exercised, no Performance Shares or Performance Rights are converted to Shares and no other Shares are issued.

4.10 ASX listing

Application for Official Quotation of the Shares offered under the Director Offer will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares under the Director Offer. The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Director Offer.

4.11 Allocation Policy and Shortfall Offer

Any Entitlement not taken up pursuant to the Placement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Shortfall Option to be issued under the Shortfall Offer shall be \$0.001 being the price at which New Options have been offered under the Placement Offer. The allocation of the Shortfall Options will be at the absolute discretion of the Underwriter, Vert Capital Pty Ltd (as sub-underwriter) and the Board.

4.12 Issue of New Options

New Options issued pursuant to the Placement Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Pending the issue of the New Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for the New Options issued under the Placement Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

4.13 Overseas shareholders

The Placement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Eligible Participants, the number and value of New Options these Eligible Participants would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Placement Offer is not being extended and New Options will not be issued to Eligible Participants with a registered address which is outside Australia or New Zealand.

New Zealand

The New Options are not being offered to the public within New Zealand other than to Eligible Participants with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand). This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Application Form on behalf of any Eligible Participant resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.14 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Eligible Participants may request a holding statement at any other time, however a charge may be made for such additional statements.

4.15 Brokerage and Commissions

No brokerage or commission will be payable by Applicants pursuant to the Placement Offer.

4.16 Enquiries

Any queries concerning the Placement Offer should be directed to Mark Clements, Non-Executive Director and Company Secretary, on +61 3 9013 7466.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Placement Offer

As set out at Section 4.1, the Company is undertaking the Placement Offer for the primary purpose of providing all previous holders of the MSMOA Options the opportunity to continue to participate in the ongoing development of the Company. The Company will raise up to \$137,237 under the Placement Offer, before expenses of \$20,628 (excluding GST). Funds raised under the Placement Offer, after deducting the expenses of the Placement Offer, will be allocated to general working capital.

5.2 Purpose of the Director Offer

As set out at Section 4.2.1, the Director Offer is being undertaken for the Company to issue:

- (a) 666,667 Shares to Adam Wellisch in consideration for outstanding director's fees; and
- (b) 4,000,000 Shares to Mark Clements in consideration for outstanding company secretarial fees.

The Company will not raise any funds under the Director Offer.

5.3 Purpose of the Lead Manager Offer

As set out at Section 4.2.2, the Lead Manager Offer is being undertaken for the Company to issue:

- (a) 8,234,232 New Options in satisfaction of a 6% capital raising fee payable on the total amount to be raised under the Placement Offer; and
- (b) 10,000,000 New Options in satisfaction of a \$10,000 underwriting fee payable by the Company.

The Company will not raise any funds under the Lead Manager Offer. The Placement Offer is fully sub-underwritten by Vert Capital Pty Ltd (AFS Representative Number 001278768), a corporate authorised representative of the Lead Manager and it is anticipated that the New Options the subject of the Lead Manager Offer will be issued to Vert Capital Pty Ltd.

5.4 Effect of the Offers

The principal effect of the Placement Offer, assuming all New Options offered under the Prospectus are subscribed for and issued and no Options are exercised prior to the date of this Prospectus, will be to:

- (a) increase the cash reserves by \$116,609 (after deducting the estimated expenses of the Offer) immediately after completion of the Placement Offer; and
- (b) increase the total number of Options on issue from 3,400,002 as at the date of this Prospectus to 140,637,199 Options.

In addition, the effect of the:

- (a) Director Offer will be to increase the issued share capital of the Company by 4,666,667 Shares; and
- (b) Lead Manager Offer will be to increase the issued share capital of the Company by an additional 18,234,232 Options.

5.5 Pro-forma balance sheet

The audited balance sheet as at 30 June 2019 and the unaudited pro-forma balance sheet as at 30 June 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

CONSOLIDATED BALANCE SHEET			
	30-Jun-19	Movement	Pro Forma
	\$	\$	\$
ASSETS			
Current Assets			
Cash on hand ¹	357,779	(70,199)	287,580
Other Assets ²	119,172	(42,657)	76,515
Total Current Assets	476,951		364,095
Non-Current Assets			
Financial Assets	2,138,885		2,138,885
Total Non-Current Assets	2,138,885		2,138,885
Total Assets	2,615,837		2,502,980
LIABILITIES			
Current Liabilities			
Trade and other payables ²	480,029	(85,931)	394,098
Borrowings ³	1,426,515	(1,426,515)	-
Total Current Liabilities	1,906,544		394,098
TOTAL LIABILITIES	1,906,544		394,098
NET ASSETS (LIABILITIES)	709,292		2,108,881
EQUITY			
Issued capital ⁴	36,182,851	1,558,443	37,741,294
Reserves	6,458,618		6,458,618
Retained Earnings ^{2,4}	(41,932,177)	(158,854)	(42,091,031)
TOTAL EQUITY	709,292		2,108,881

Note:

1. Cash movement since 30 June 2019 and net proceeds from Offers.
2. Working capital movement since 30 June 2019.
3. Conversion of convertible notes since 30 June 2019.
4. Shares issued on conversion of convertible notes net of cost since 30 June 2019 and issue of options and shares pursuant to Offers.

5.6 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Closing Date, is set out below.

Shares	Number
Shares currently on issue	834,670,019
Shares offered pursuant to the Director Offer	4,666,667
Total Shares on issue after completion of the Offers	839,336,686

Options	Number
Unquoted Options currently on issue:	
Exercisable at \$0.043 each on or before 2 May 2028 ¹	1,500,000
Exercisable at \$0.15 each on or before 18 March 2020	900,000
Exercisable at \$0.125 each on or before 18 March 2020	1,000,002
New Options offered pursuant to the Placement Offer	137,237,197
New Options offered pursuant to the Lead Manager Offer	18,234,232
Total Options on issue after completion of the Offers	158,871,431

Notes:

1. These Options are subject to vesting conditions.

Performance Shares	Number
Performance Shares currently on issue:	
Class B Performance Shares ¹	50,000,000
Performance Shares offered pursuant to the Offers	Nil
Total Performance Shares on issue after completion of the Offers	50,000,000

Notes:

1. Each Class B Performance Share will convert into one Share if the Company achieves \$15,000,000 in EBITDA or the Megastar platform achieves a number of unique registered users of at least 2,000,000 as determined by Google Analytics.

Performance Rights	Number
Performance Rights currently on issue:	
Class C Performance Rights	7,800,000
Class D Performance Rights	2,500,000
Class F Performance Rights	5,000,000

Class G Performance Rights	4,000,000
Performance Rights offered pursuant to the Offers	Nil
Total Performance Rights on issue after completion of the Offers	19,300,000

The capital structure of the Company on a fully diluted basis as at the date of this Prospectus would be 838,070,021 Shares (assuming all Options on issue are exercised but no Performance Shares or Performance Rights are converted) and on completion of the Offers (assuming all Entitlements are accepted and the Performance Shares and Performance Rights are not converted) would be 998,208,117 Shares.

5.7 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Timothy Paul Neesham ¹	23,972,976	5.60

Notes:

1. These Shares are held by Angkor Imperial Resources Pty Ltd, Richsham Nominees Pty Ltd and Alitime Nominees Pty Ltd. Refer to the Notice of Initial Substantial Holder lodged on 25 May 2018 for further details.

There will be no change to the substantial holders on completion of the Offers.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Terms and conditions of New Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) Exercise Price and Expiry Date

Subject to Section 6.1(j), the Options are exercisable at \$0.04 each at any time up to 5.00pm (WST) on the date that is 3 years from the date of issue (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire on the Expiry Date.

(c) Exercise

The Options are exercisable by delivering to the registered office of the Company a notice in writing (**Notice of Exercise**) stating the intention of the Optionholder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the Optionholder's right to exercise the balance of any Options remaining.

(d) Timing of issue of Shares upon exercise

After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the subscription monies due:

- (i) issue the Shares;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX by no later than 5 Business Days after the date of exercise of the Option.

(e) Ranking of Shares

Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the then existing fully ordinary shares of the Company at the date of issue.

(f) Transferability

Subject to the Corporations Act, Constitution and the ASX Listing Rules, the Options are transferable.

(g) **Quotation of Shares on exercise**

The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options.

(h) **Participation rights**

The Optionholder is not entitled to participate in any issue to existing Shareholders of securities unless they have exercised their Options before the relevant "record date" for determining entitlements to the issue of securities and participate as a result of holding Shares. The Company must give the Optionholder notice of the proposed terms of the issue or offer in accordance with the ASX Listing Rules.

(i) **Reorganisation**

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the issued share capital of the Company, then the rights of the Optionholder (including the number of Options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(j) **Amendments**

There will be no change to the exercise price of the Options in the event the Company makes a pro rata rights issue of securities.

(k) **Adjustments**

Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Optionholder.

6.2 Terms and conditions of Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued on exercise of a New Option and the Shares to be issued under the Director Offer. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **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.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Investment risk

As announced on 26 November 2018, the Company has subscribed for secured, first ranking, interest free loan notes in Riva Technology and Entertainment Limited (**RTE**) for US\$1,500,000. The loan notes are to be repaid by 31 December 2019. There can be no assurance as to the performance of RTE. If RTE does not generate revenues from its business, there is a risk that the loan notes will not be repaid on time (if at all) which would have a material adverse effect on the Company's financial position. There is therefore a risk that the loan notes subscribed for will fall in value and provide no return to the Company. The Company has sought to mitigate this risk by ensuring that the loan notes are secured against the assets of RTE but there can be no guarantee that enforcing this security in the event the loan notes are not repaid will ensure the Company suffers no loss.

(b) Going concern risk

The Company's annual financial report for the year ended 30 June 2019 includes a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. The report from the Company's auditor notes that the ability of the Company to continue as a going concern is dependent on cash inflows generated from its strategic investment arrangement with RTE and the raising of capital as and when required for working capital purposes.

Notwithstanding the 'going concern' disclosure included in the Company's annual financial report for the year ended 30 June 2019, the Directors believe that the Company has sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, further funding will be required to meet the medium to long term working capital requirements of the Company.

In the event that the Company is unable to secure additional funding as and when required there is uncertainty as to whether the Company can

continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(c) **Additional requirements for capital**

Additional funding will be required to effectively implement the business and operations of the Company, as well as its plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities.

Additional funding may also be required to meet any unanticipated liabilities or expenses, which the Company may incur.

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.

The Company may enter into additional interim loan arrangements on similar terms to provide working capital funding. The Company will provide updates on any such loan arrangements in accordance with its disclosure obligations.

(d) **ABC Process**

As announced on 22 February 2019, the Company's US subsidiary, MSM Music Inc. (MSM-US) entered into an Assignment for the Benefit of Creditors (ABC) process to manage the outstanding creditors of MSM-US (which included the Company). As part of this process, the Company entered into an Asset Purchase Agreement with the assignee of MSM-US to acquire all of the assets and intellectual property held by MSM-US associated with its online entertainment platform for a cash purchase price of US\$110,000. While the Company and MSM-US engaged US based legal and other advisers in respect of the ABC process and such parties advised the Company that the ABC process was a generally accepted insolvency process in California (the State of incorporation of MSM-US), neither the Company nor MSM-US can guarantee that no creditor of MSM-US will challenge the ABC process (and the Asset Purchase Agreement) in general or seek to make further claims against MSM-US and attempt to include the Company in such claims. Any such challenge to the ABC process or any such claim (if successful) could have a material adverse effect on the Company.

(e) **Financial risk management**

The Company's financial management team provides services to the business, coordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company and identifies any exposures by degree and magnitude of risks. These risks include credit risk, liquidity and cash flow interest rate risk and currency risk. The Company actively pursues avenues to minimise the effect of these risks.

(f) **Foreign currency risk**

The Company undertakes certain transactions denominated in United States dollars and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Company's exposure to currency risk at 30 June 2019 was \$1,924,996 (2018: \$752,206) on investments and trade payables denominated in United States dollars. The effect of future movements in the exchange rate for United States dollars on the Company's financial position and results of its activities is likely to be negligible.

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.

(g) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed periodically. The Company does not have a significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and borrowings is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(h) **Interest rate risk**

The Company is exposed to interest rate risk as it holds cash deposits at floating interest rates. The risk is that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities

(i) **Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(j) **Failure to attract, retain and engage consumers**

The revenue streams for the Company depend on the Company's ability to attract, retain and engage consumers to the Company's product offerings. 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.

(k) Maintenance of key, influential business partner relationships

The Company relies on relationships with key, influential business partners (including but not limited to RTE, The Riva Group, YDigital Media and Software Developers Inc.) to enable it to operate and maintain the Megastar platform and also licence it for use across other sectors and genres of the global mobile competition framework. Refer to the Company's announcements of 26 November 2018, 10 January 2019, 1 April 2019, 7 May 2019, 29 August 2019, 1 October 2019 and 11 November 2019 for further details.

The Company intends to leverage the Riva Group's network and capabilities to expand the Megastar Platform to include Esports and Mobile Gaming talent competitions. The Company has announced a separate license agreement with the Riva Group for Esports and Mobile Games. Refer to the Company's announcement of 15 July 2019 for further details.

The engagement with technology company, YDigital Media, is to initially define a product strategy and requirements to add functionality to the Megastar platform post WWT1 findings and progress to developing an optimised platform for the Indian market.

The Company will also rely on these and other business partner relationships as part of its expansion plans.

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 and expansion strategy.

(l) New market risk

The Company is seeking to expand its business into additional jurisdictions and types of contests, as well as products complementary to the Company's existing business.

There can be no certainty that the Company's product offerings will meet the needs or demands of these new markets. New markets usually cost substantially more to penetrate than a known market and may also result in a diversion of the attention and time of management. Accordingly, such efforts may have a materially adverse effect on the value and prospects of the Company.

(m) Reliance on key personnel

The success of the Company's business depends on the ability of the Company's key employees, directors and consultants 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 contests.

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.

(n) **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, 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 in other jurisdictions 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 and technology industries in the United States, Great Britain, Australia, Canada, New Zealand, India and South Africa and other places around the world within which the Company's product offering may extend to have 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's business.

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

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

(o) **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 Company's product offerings. 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 that offered by the Company 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.

(p) **Technology and development risks**

The current and planned product offerings of the Company are subject to a number of technological and development risks which may result in unforeseen and unavoidable delays in ongoing developments, updates to the existing product offerings and future products. These risks include, amongst other things, overestimating the ease at which the technology can be developed for the products, 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 Company must offer quality products. Products which may be functional, but of a low quality, are unlikely to result in the consumer retention and engagement required for the Company's business plan to succeed.

(q) **Reliance on core information technology and other systems**

The operation of the Company's products are 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 one or 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 Company's products 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 the Company.

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.

(r) Reliance on third party platforms

The Company utilises third party hardware ('smartphones'), software ('mobile operating systems') and distribution ('app stores') platforms for commercialisation of its products. 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 Company's products may not function as intended, which could impact on the profitability of the Company.

(s) Licensing risk

The Company may enter into licensing arrangements in the future. Under any such licence agreements, the relevant Company entity and the counterparty may have a number of performance obligations including to use reasonable efforts at all times to market, promote, distribute and support the launch and operation of relevant product offering. Maintenance of such agreements will be dependent upon compliance with such terms. There is a risk that the Company or the counterparty may not comply with the terms of the licence agreements and that the licence agreements are terminated which could have a significant negative impact on the Company and an adverse impact of the financial position of the Company. Where the counterparty fails to comply with any licence agreements, the Company may then need to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

(t) Outsourcing to third parties

The Company is required to outsource key components of the development of its products 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.

(u) 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 Company or its products, 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.

(v) **Security breaches and hacker attacks**

A malicious attack on the Company's 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.

(w) **Increased investment in product development and support**

There is a risk that maintaining and upgrading the Company's product offering 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.

7.3 Intellectual property risks

(a) **Intellectual property rights**

As summarised in Section 7.2(d) above, MSM-US Music Inc. entered into an ABC process to manage its outstanding creditors. As part of this process, the Company entered into an Asset Purchase Agreement with the assignee of MSM-US to acquire all of the assets and intellectual property (summarised below) held by MSM-US associated with the online entertainment platform developed by MSM-US.

MSM-US 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 the United States, 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 or thirty-one (31) months in some jurisdictions from the priority date.

Furthermore, MSM-US 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 MSM-US 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 provisional patent applications in the United States creates a priority date that can be used to establish priority in any Paris Convention country. The two US provisional patent applications have been converted into US non-provisional patent application. Prior to the foreign filing deadline and in the coming months, MSM-US plans to file each of the 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 as 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 been 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 Company's product offering into other jurisdictions will be subject to the Company being able to secure sufficient intellectual property protection.

(b) **Infringement of third party intellectual property or restraints of trade**

Third parties may from time to time accuse the Company or its personnel or contractors of infringing that third party's intellectual property rights, or commence legal action against the Company for intellectual property infringement and related claims.

Similarly, third parties may from time to time accuse the Company or its personnel or contractors of contravening restraint of trade or non-compete contractual obligations or commence legal action against the Company for claims of such nature.

If a third party makes such an accusation or commences such a legal action, the Company may incur significant costs in defending such accusation or action, whether or not it ultimately prevails. Costs that the Company may incur in defending such third party accusations or actions would also include diversion of management's and technical personnel's time and potential reputational damage.

In addition, parties who commence legal proceedings against the Company or its personnel or contractors may be able to obtain injunctive or other equitable relief that could prevent the Company from using its developed products. 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 or consents at a reasonable cost, or at all, it could encounter a loss of substantial resources while it attempts to rebrand or adjust its product offering.

Defence of any lawsuit or failure to obtain any of these licenses or consents could prevent the Company from using its products and could cause it to incur substantial expenditure.

Although the Company has taken steps to protect and confirm its interest in the required intellectual property rights and does not consider that any of its personnel or contractors are subject to relevant restraint of trade or non-compete restrictions, there is always a risk of third parties alleging that such rights or restrictions 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 used by the Company. If all or some of the Company's trademark applications are not granted, the Company may consider "rebranding" the business to, amongst other things, reduce the risk of a claim of trademark infringement.

7.4 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) General economic outlook.
- (ii) Introduction of tax reform or other new legislation.
- (iii) Interest rates and inflation rates.
- (iv) Changes in investor sentiment toward particular market sectors.
- (v) The demand for, and supply of, capital.

(c) Terrorism or other hostilities

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology shares in particular. Neither the Company nor

the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance.

(d) Agents and contractors

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(e) Force majeure

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's 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.

Insurance of all risks associated with the Company's operations is not always available and where available the costs can be prohibitive.

7.5 Speculative investment

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 Securities offered under this Prospectus.

Therefore, the Securities 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 Securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and, other than the disclosure in this Section, the Directors are not aware of any legal proceedings pending or threatened against the Company.

The Company has received a claim from Dion Sullivan, the former managing director of the Company, for an amount of US\$518,225.98 (approximately \$760,000 at the date of this Prospectus) which it is claimed comprises unpaid salary, bonuses and other benefits. The Company disputes and rejects the claim, believes it has no basis and has engaged litigation counsel to defend the claim.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
11/11/2019	Firefly Games Launches Worldwide Multiplayer Online Game
11/11/2019	Change of Director's Interest Notices
11/11/2019	Expiry of Listed Options
31/10/2019	Completion of Unmarketable Share Sale
31/10/2019	Appendix 4C - monthly
29/10/2019	Notice of Annual General Meeting/Proxy Form
07/10/2019	Option Expiry Notice - Waiver of ASX Listing Rule 6.24
01/10/2019	Riva Technology & Entertainment (RTE)/Firefly Games Update
30/09/2019	Appendix 4G and Corporate Governance Statement
30/09/2019	Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.msmci.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last 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	\$0.017	29 October 2019
Lowest	\$0.012	12 November 2019
Last	\$0.014	27 November 2019

8.4 Material Contracts

The following are summaries of the significant terms of the material agreements which relate to the Offers.

8.4.1 Lead Manager Mandate

The Company has entered into a mandate letter with Barclay Wells Limited, the Lead Manager, dated 27 November 2019, pursuant to which Barclays Wells Limited has agreed to act as lead manager to the Placement Offer (**Mandate**).

Subject to Shareholder approval being obtained at the Annual General Meeting, the Company has agreed to issue 8,234,232 New Options to the Lead Manager's nominee Vert Capital Pty Ltd in consideration of a 6% capital raising fee payable on the total amount to be raised under the Placement Offer. The Placement Offer is fully sub-underwritten by Vert Capital Pty Ltd. The Lead Manager is also entitled to be reimbursed for reasonable expenses in undertaking its role, subject to consent from the Company being required prior to any single expense greater than \$1,000 being incurred.

The Lead Manager may terminate the Mandate:

- (a) by giving 14 days' notice in writing to that effect if the Company commits or allows to be committed a material breach of any of the terms or conditions of the Mandate or if any warranty or representation given or made by the Company is not complied with or proves to be untrue in any respect; or
- (b) immediately by giving notice in writing to that effect if an insolvency event occurs to the Company or a court makes an administration order with respect to the Company or any composition in satisfaction of its debts of or a scheme of arrangement of the affairs of the Company.

The Company may terminate the Mandate by giving 7 days' written notice. The Mandate contains other standard indemnities, terms and conditions expected to be included in a mandate of this nature.

8.4.2 Underwriting Agreement

The Company has entered into an agreement with Barclay Wells Limited, the Underwriter, dated 27 November 2019 pursuant to which the Underwriter has agreed to conditionally underwrite the Placement Offer in full (the **Underwritten Securities**) (**Underwriting Agreement**). Subject to Shareholder approval being obtained at the Annual General Meeting, the Company has agreed to issue 10,000,000 New Options to the Underwriter's nominee Vert Capital Pty Ltd by way of an underwriting fee on completion of the Placement Offer. The Placement Offer is fully sub-underwritten by Vert Capital Pty Ltd.

The Underwriter may terminate the Underwriting Agreement upon the occurrence of any of the following events by giving notice in writing to the Company at any time before the issue of all the Underwritten Securities without cost or liability:

- (a) **(Indices fall)** the S&P or ASX 200 Index closes on any two consecutive trading days before the shortfall notice deadline date 10% or more below its respective level as at the close of business on the business day prior to the execution date;
- (b) **(Offer Document)**: the Company does not lodge the offer document by the determined lodgement date or the offer document or the Placement Offer is withdrawn by the Company;
- (c) **(Restriction on allotment)**: the Company is prevented from allotting the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (d) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (e) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, the United Kingdom, the United States of America, India or the People's Republic of China, which causes an indices fall in accordance with paragraph (a);
- (f) **(Authorisation)**: any authorisation which is material to anything referred to in the offer document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (g) **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company or a subsidiary of the Company;
- (h) **(Indictable offence)**: a director or senior manager of the Company or a subsidiary of the Company is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Placement Offer; or
- (i) **(Termination Events)**: subject always to the below, upon the occurrence of any of the following events:
 - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date valid applications are required to be lodged;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act)**: a contravention by the Company or a subsidiary of the Company of any provision of its

constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;

- (iv) **(Adverse change)**: an event occurs which gives rise to a material adverse effect in relation to the Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or a subsidiary of the Company;
- (v) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vi) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Placement Offer or the offer document;
- (vii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Placement Offer or the affairs of the Company or a subsidiary of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (viii) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any act or prospective act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (ix) **(Prescribed Occurrence)**: a prescribed occurrence occurs, other than as disclosed in the offer document;
- (x) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xi) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$50,000.00 is obtained against the Company and is not set aside or satisfied within 7 days;
- (xii) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or a subsidiary of the Company, other than any claims foreshadowed in the offer document;
- (xiii) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter;
- (xiv) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or a subsidiary of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly

announced in relation to the Company or a subsidiary of the Company;

- (xv) **(Timetable)**: there is a delay in any specified date in the determined timetable which is greater than 3 business days;
- (xvi) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 5 days occurs;
- (xvii) **(Certain resolutions passed)**: the Company or a subsidiary of the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xviii) **(Capital Structure)**: the Company or a subsidiary of the Company alters its capital structure in any manner not contemplated by the offer document and the Mandate or the Underwriting Agreement;
- (xix) **(Breach of Material Contracts)**: any material agreement is terminated or substantially modified;
- (xx) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a subsidiary of the Company; or
- (xxi) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The events listed in paragraph (i) above do not entitle the Underwriter to exercise its termination rights unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act.

The Company may, without cost or liability, by notice in writing given upon or at any time prior to the allotment of all Underwritten Securities terminate the Underwriting Agreement if the Underwriter defaults under the Underwriting Agreement or any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
 - (c) the Offers,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (d) as an inducement to become, or to qualify as, a Director; or
 - (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Performance Shares ¹	Performance Rights	Entitlement
Adam Wellisch ²	10,827,338	6,474,819	1,200,000 ³	4,742,802
Chris Jones ⁶	514,155	Nil	Nil	312,500
Mark Clements ⁴	11,256,115	3,904,076	1,200,000 ⁵	225,000

Notes:

- Class B Performance Shares subject to vesting conditions to be satisfied on or before 29 December 2020.
- Mr Wellisch's interests are held indirectly by the Welson Family A/C, of which Adam Wellisch is a beneficiary.
- Comprised of 1,200,000 Class C Performance Rights subject to vesting conditions to be satisfied on or before 29 December 2021.
- Securities are held by Balion Pty Ltd as trustee for the Clements Family Trust of which Mr Clements is a director and beneficiary and Beretta Nickel Pty Ltd of which Mr Clements is a sole director and shareholder.
- Comprised of 1,200,000 Class C Performance Rights subject to vesting conditions to be satisfied on or before 29 December 2021.
- Mr Chris Jones' interests are held indirectly by Mongoose Capital Pty Ltd, of which Mr Jones is the sole director.

The Directors intend to fully subscribe for their respective Entitlements under the Placement Offer and the Director Offer subject to Shareholder approval being obtained at the Annual General Meeting.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary

resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors for the past two financial years and the proposed remuneration for the current financial year.

	Proposed Remuneration for the year ending 30 June 2020	Remuneration for the year ended 30 June 2019	Remuneration for the year ended 30 June 2018
Adam Wellisch ²	\$36,000	\$78,263	\$251,263
Chris Jones ¹	\$36,000	\$19,000	Nil
Mark Clements ²	\$36,000	\$86,263	\$137,263

Notes:

1. Mr Jones was appointed as a Director on 20 November 2018.
2. Mr Wellisch is to be offered 666,667 Shares in consideration for outstanding Director fees and Mr Clements is to be offered 4,000,000 Shares in consideration for outstanding company secretarial fees for the period ended 30 June 2019 conditional on Shareholders approving the issue (resolutions 4 and 5 in the Notice of AGM).

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
- (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Barclay Wells Limited is the Lead Manager and Underwriter to the Placement Offer and, subject to Shareholder approval being obtained at the Annual General Meeting, will be issued 18,234,232 New Options under the Lead Manager Offer in consideration for the lead manager and underwriting services being provided. The Placement Offer is fully sub-underwritten by Vert Capital Pty Ltd and it is anticipated that the New Options the subject of the Lead Manager Offer will be issued to Vert Capital Pty Ltd. During the 24 months preceding lodgement of this Prospectus with the ASIC, neither Barclay Wells Limited nor Vert Capital Pty Ltd has been paid or invoiced any fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$12,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$88,000 (excluding GST and disbursements) for legal services provided to the Company.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, 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.

Barclays Wells Limited has given its written consent to being named as Lead Manager and Underwriter to the Placement Offer in this Prospectus, in the form and context in which it is named. Barclays Wells Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Vert Capital Pty Ltd has given its written consent to being named as sub-underwriter to the Placement Offer in this Prospectus, in the form and context in which it is named. Vert Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Barclays Wells Limited and Vert Capital Pty Ltd (including their respective related entities) is are not Shareholders of the Company and currently have no relevant interest in any of the Company's securities.

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

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$20,628 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	1,922
Legal fees	12,500
Printing and distribution	3,000
Total	20,628

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 3 9013 7466 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.msmci.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by

the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on your application for Securities, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Adam Wellisch
Non-Executive Chairman
For and on behalf of
MSM Corporation International Limited

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Additional Offer Application Form means an application form in relation to the Additional Offers.

Additional Offers means the Director Offer and the Lead Manager Offer.

Annual General Meeting means the annual general meeting of the Company to be held on 29 November 2019 as convened by the Notice of AGM.

Applicant means an Eligible Participant who applies for New Listed Options pursuant to the Offer.

Application Form means the application form either attached to or accompanying this Prospectus in relation to the Placement Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus, unless extended by the Directors.

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

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

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

Director Offer means the offer of Shares to certain of the Directors as set out in Section 4.2.1.

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

Eligible Participant means a holder of a MSMOA Option on the Record Date.

Entitlement means the entitlement of an Eligible Participant who is eligible to participate in the Placement Offer.

Lead Manager Offer means the offer of New Options to the Lead Manager (or its nominee) as set out in Section 4.2.2.

Lead Manager means Barclays Wells Limited (AFSL 235070).

MSMOA Options means the 137,237,197 expired listed Options exercisable at \$0.10 on or before 7 November 2019 and which were trading under ASX Code: MSMOA which the Company previously had on issue.

New Options means an Option to be issued pursuant to the Placement Offer and the Lead Manager Offer on the terms and conditions set out in Section 6.1.

Notice of AGM means the Company's notice of annual general meeting dated 23 October 2019.

Offers means the offers being made pursuant to this Prospectus, being the Placement Offer, the Director Offer and the Lead Manager Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share, including the New Options.

Optionholder means a holder of an Option.

Performance Right means a right to acquire a Share.

Performance Share means a security convertible into a Share, subject to the satisfaction or waiver of certain performance conditions and to the terms and conditions attaching to that performance share.

Placement Offer means the offer of New Options to Eligible Participants.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means a Share or an Option or both, as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the New Options not applied for under the Placement Offer (if any).

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.11 of this Prospectus.

Shortfall Options means those New Options issued pursuant to the Shortfall.

Sub-underwriter means Vert Capital Pty Ltd (AFS Representative Number: 001278768) as Corporate Authorised Representative of the Underwriter.

Underwriter means Barclays Wells Limited (AFSL 235070).

WST means Western Standard Time as observed in Perth, Western Australia.