

**MINERALS CORPORATION LIMITED**  
**ACN 002 529 160**  
**(to be renamed MSM Corporation International Limited)**

**NOTICE OF GENERAL MEETING**

**A General Meeting of the Company will be held at Office J,  
Level 2, 1139 Hay Street, West Perth WA 6005 on  
Wednesday, 7 October 2015 at 9:30am (WST).**

*The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9486 4036.*

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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# MINERALS CORPORATION LIMITED

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## NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Minerals Corporation Limited (**Company**) will be held at Office J, Level 2, 1139 Hay Street, West Perth WA 6005 on Wednesday, 7 October 2015 at 9:30am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 5 October 2015 at 4:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 - Approval to change in nature and scale of activities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, approval is given for the Company:*

- (a) *to make a significant change to the nature and scale of its activities resulting from the Acquisition on the terms and conditions set out in the Explanatory Memorandum; and*
- (b) *to issue the Capital Raising Shares at an issue price of not less than \$0.06 per Share."*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who might receive a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 2. Resolution 2 - Approval to issue Consideration Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:*

(a) 75,000,000 Shares; and

(b) 100,000,000 Performance Shares,

*(together, **Consideration Shares**) on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 3. Resolution 3 - Approval of Performance Shares

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with section 246B(1) of the Corporations Act and clause 2.4 of the Constitution and for all other purposes, the Company be authorised to create a new class of shares on the terms and conditions in Schedule 2 and in the Explanatory Memorandum."*

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## 4. Resolution 4 - Approval to issue Noteholder Consideration Securities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 25,000,000 Shares and 25,000,000 Options (together, **Noteholder Consideration Securities**) on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 5. Resolution 5 - Approval to issue Consideration Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 18,000,000 Options (**Consideration Options**) on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 6. Resolution 6 - Approval to issue Capital Raising Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the Raising Price, will raise up to \$7 million on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **7. Resolution 7 - Approval of change of Company name**

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with section 157(1)(a) of the Corporations Act and for all other purposes, the name of the Company be changed to 'MSM Corporation International Limited' with effect from the date that ASIC alters the details of the Company's registration."*

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## **8. Resolution 8 - Election of Director - Mr Adam Wellisch**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, and in accordance with clause 13.3 of the Constitution, Mr Adam Wellisch, having been nominated and given his consent to act, be elected as a Director."*

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## **9. Resolution 9 - Election of Director - Mr Dion Sullivan**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and completion of the Acquisition, and in accordance with clause 13.3 of the Constitution, Mr Dion Sullivan, having been nominated and given his consent to act, be elected as a Director."*

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## **10. Resolution 10 - Approval to issue Executive Shares**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 12,500,000 Shares (Executive Shares) to Mr Doug Barry (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Doug Barry and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 11. Resolution 11 - Ratification of prior placement

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:*

*(a) 4,197,010 Shares issued pursuant to Listing Rule 7.1; and*

*(b) 2,802,990 Shares issued pursuant to Listing Rule 7.1A,*

*on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 12. Resolution 12 - Ratification of prior issue of Securities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 625,000 Shares and 625,000 Options issued pursuant to Listing Rule 7.1 on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 13. Resolution 13 - Approval to issue Placement Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 3,500,000 Options (**Placement Options**) on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) It is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BY ORDER OF THE BOARD**

Sam Edis  
**Company Secretary**  
Dated: 4 September 2015

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# MINERALS CORPORATION LIMITED

ACN 002 529 160

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Office J, Level 2, 1139 Hay Street, West Perth WA 6005 on Wednesday, 7 October 2015 at 9:30am (WST).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Conditional Resolutions
Section 4:	Background to the proposed acquisition of MSM
Section 5:	Risks associated with the Acquisition
Section 6:	Directors' recommendation
Section 7:	Resolution 1 - Approval to change in nature and scale of activities
Section 8:	Resolution 2 - Approval to issue Consideration Shares
Section 9:	Resolution 3 - Approval of Performance Shares
Section 10:	Resolution 4 - Approval to issue Noteholder Consideration Securities
Section 11:	Resolution 5 - Approval to issue Consideration Options
Section 12:	Resolution 6 - Approval to issue Capital Raising Shares
Section 13:	Resolution 7 - Approval of change of Company name
Section 14:	Resolutions 8 and 9 - Election of Directors - Messrs Wellisch and Sullivan
Section 15:	Resolution 10 - Approval to issue of Executive Shares
Section 16:	Resolutions 11 and 12 - Ratification of prior issues of Securities
Section 17:	Resolution 13 - Approval to issue Placement Options
Schedule 1:	Definitions



Schedule 2:	Terms and Conditions of Performance Shares
Schedule 3:	Terms and Conditions of Options
Schedule 4:	MSM Shareholders and Optionholders
Schedule 5:	MSM Noteholders
Schedule 6:	Pro forma statement of financial position

A Proxy Form is located at the end of the Explanatory Memorandum.

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## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

The Chair intends to exercise all available proxies in favour of all Resolutions.

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## 3. Inter-Conditional Resolutions

The Acquisition Resolutions are inter-conditional, meaning that each of them will only take effect if the requisite majority of Shareholders' votes at the Meeting approve all of them. If any of the Acquisition Resolutions are not approved at the Meeting, none of the Acquisition Resolutions will take effect and the Acquisition Agreement and other matters contemplated by the Acquisition Resolutions will not be completed.

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## 4. Background to the proposed acquisition of MSM

### 4.1 Existing activities of the Company

The Company was admitted to the official list on 20 November 1996. The Company's most recent primary activity has been mineral exploration.

On 7 April 2015, the Company announced that it had decided not to exercise its option to acquire the Iwaki Project near Nelson, New Zealand following the results of the Company's technical and commercial evaluation of the project. The Company stated that it was reviewing a number of alternative investment opportunities for the Company.

The Company continues to hold a minority interest in the Squadron Kaolin Project in Cape York Peninsula, Queensland.

## 4.2 Change in the nature and scale of the Company's activities

As announced on 30 April 2015, the Company has entered into a conditional binding terms sheet with the Major Shareholders of Megastar Millionaire Pty Ltd (**MSM**) to acquire 100% of the issued share capital of MSM (**Acquisition**).

On 4 September 2015, the Company entered into definitive share sale agreements with the MSM Shareholders, which formalised the initial terms sheet (**Acquisition Agreement**). The Acquisition Agreement was on terms consistent with the initial terms sheet.

It is a condition precedent of the Acquisition Agreement that the Company must enter into the following agreements to ensure that the Company acquires 100% of the issued capital of MSM:

- (a) Convertible Note Deeds of Assignment: each of the MSM Noteholders must enter into a deed of assignment whereby the MSM Noteholder agrees to assign their interests in the MSM convertible notes to the Company, subject to completion occurring under the Acquisition Agreement. The consideration payable by the Company for this assignment is the Noteholder Consideration Securities (refer to Schedule 5); and
- (b) Option Cancellation Deeds: each of the MSM Optionholders must enter into a deed whereby the MSM Optionholder agrees to the cancellation of their options in MSM, subject to completion occurring under the Acquisition Agreement. The consideration payable by the Company for this cancellation is the Consideration Options.

MSM is developing an online global talent search competition platform and is based operationally out of San Francisco.

As the Acquisition comprises a significant change in the nature of the Company's activities, Resolution 1 seeks Shareholder approval for a change in the nature and scale of the activities of the Company.

The Company proposes, subject to the receipt of Shareholders' approval of the Resolutions and the terms of the Acquisition Agreement (including the conditions precedent summarised in Section 4.5 below), to:

- (a) proceed to Completion of the Acquisition Agreement, pursuant to which the Company will issue:
  - (i) 75,000,000 Shares and 100,000,000 Performance Shares (together, **Consideration Shares**) in consideration for 100% of the issued shares of MSM (Resolutions 2 and 3);

- (ii) 25,000,000 Shares and 25,000,000 Options (together, **Noteholder Consideration Securities**) in consideration for the assignment of 100% of the issued convertible notes of MSM to the Company (Resolution 4);
  - (iii) 18,000,000 Options (**Consideration Options**) in consideration for the cancellation of 100% of the issued options of MSM (Resolution 5); and
  - (iv) 12,500,000 Shares to Mr Doug Barry to satisfy the contractual obligations of MSM under Mr Barry's services agreement (Resolution 10);
- (b) subject to the Board's discretion to vary the amounts, raise a maximum of \$7 million via a prospectus (**Prospectus**) by the offer of that number of Shares at the higher of \$0.06 per Share or the price that is a 20% discount to the VWAP for Shares calculated over the last 10 days on which sales in Shares were recorded on ASX before the date of this Meeting (**Raising Price**) (**Capital Raising**) (Resolution 6);
  - (c) change the Company's name to MSM Corporation International Limited with effect from the date that ASIC alters the details of the Company's registration (Resolution 7); and
  - (d) appoint Messrs Wellisch and Sullivan to the Board (Resolutions 8 and 9).

Other information considered material to the Shareholders' decision on whether to pass the Resolutions is set out in this Explanatory Memorandum, and Shareholders are advised to read this information carefully.

#### 4.3 About Megastar Millionaire Pty Ltd

##### (a) Background

Megastar Millionaire Pty Ltd (**MSM** or **Megastar Millionaire**) is preparing to launch the world's first global online talent search competition. MSM will connect creative enthusiasts of all ilks/genres and fans in an innovative and interactive experience that transforms, mobilises and individualises the search for new talent. The MSM model focuses on paid voting as the initial and primary revenue stream via frictionless premium-SMS payments and premium content subscription fees. The approach leverages consumer behaviours proven by broadcast music competitions (such as America's Got Talent, Idol, xFactor and The Voice) against significant growth in mobile consumption of talent videos.

The competition is designed to attract high quality emerging artists by offering cash prizes along with the freedom to independently produce and commercialise their music/performance art. Fans will be able to watch, shortlist and vote for their favourite acts and artists, sharing with friends via the MSM mobile app and social media channels. A celebrity panel will seed interest and promote MSM through social and broadcast media to generate awareness and engage the global audience.

The digital channel is a rapidly growing platform for delivery of performance talent, including music, with over 400 licensed digital music services operating

in 2014.<sup>1</sup> In 2014, the share of global music sales through digital channels matched physical format sales (CDs, vinyl records, etc.) for the first time, with each format having 46% of global music revenues.<sup>2</sup> Over the five years to 2014, digital music sales increased at a compound annual growth rate of 9.4% to reach \$6.9 billion in 2014.<sup>3</sup>

(b) **MSM Team**

MSM has assembled a highly connected team of digital marketing, online entertainment, and technology experts to deliver the next evolution in music competitions.

MSM's operations team are based in San Francisco to leverage the best available talent in mobile/social game development, music and digital marketing.

The key members of the MSM team are:

(i) **Doug Barry - Chairman US Operations (San Francisco)**

Mr Barry has spent the past 20 years in the media, entertainment and technology industries as a successful entrepreneur, investor, advisor and operating executive. He co-founded Selby Ventures in 2000 and focuses on seed and early stage investments in digital media, Internet and mobile. Mr Barry was an original venture investor in Pandora Media, now the largest global internet radio service with over 100 million registered users and nearly \$1 billion in revenue. Pandora continues to be one of the top 5 mobile apps of all time. Other notable investments include TiVo, 4INFO (mobile ad platform), Bigfix (software/service), Clairvoyante (mobile display), Coremetrics (web analytics), and Panopticon (ecommerce personalisation). Mr Barry was an early advisor to Glu (early mobile gaming IPO) and Rightsflow (music rights management acquired by Google).

Mr Barry has entered into a heads of agreement with MSM (with a formal services agreement to be entered into as a condition precedent to Completion) whereby he will play a key role leading and promoting the strategic vision of MSM.

(ii) **Adam Wellisch - Director (Sydney)**

Mr Wellisch has over 18 years' experience in technology strategy, business administration, systems consulting and software development. He has held executive and non-executive positions for technology organisations ranging from start-ups to large multinationals. Recent appointments include Asia-Pacific CIO for market leading FTSE 100, Compass Group plc and Information Systems Director for Bupa's fast-growing Health Services division.

(iii) **Dion Sullivan - Managing Director (San Francisco)**

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<sup>1</sup> *IPFI, Digital Music Report 2015* via Frost & Sullivan Independent Industry Report on the Online Music Competition Market; 2015.

<sup>2</sup> *Ibid.* The remaining 8% of industry revenue is derived from performance rights and synchronisation (income from the use of music in advertising, film, games and television programmes).

<sup>3</sup> *Ibid.*

Mr Sullivan is a digital marketing veteran with more than 20 years' experience. He was first awarded a Gold Effie for advertising effectiveness at Clairol (Bristol Myers Squibb). In 1996 he assisted in spearheading the launch of FTD.com (Interflora internationally), transforming a 90 year old struggling not-for-profit into a thriving NASDAQ listing (current market cap ~US\$825m) and winning another Gold Effie. He has since served as Marketing Vice President at Bank of America and has had senior executive roles at Viacom, MTVN, VideoJax (with Mr Barry) and Betfair/TVG.

Mr Sullivan has accepted MSM's formal offer to be appointed as CEO of MSM Music Inc. (MSM's US subsidiary) as well as MSM Managing Director and has agreed to enter into a services agreement committing him to drive the Company's development for a minimum 3 year engagement.

MSM is also in the process of assembling a team to assist senior management post-Acquisition. It is the intention that this team will include the following positions:

- (i) Head of Product Development;
- (ii) Head of Technologies, assisted by front and back end engineers;
- (iii) Head of Business Development/Partnerships;
- (iv) Head of Marketing/Strategy; and
- (v) third party agencies to assist, at various stages of the creation/build/launch of MSM:
  - (A) Digital Brand Services;
  - (B) Payment Systems;
  - (C) Customer Service/Oversight; and
  - (D) Consumer Insight/Analytics.

#### **4.4 MSM business model and intentions**

##### **(a) Overview**

MSM intends to be a social media business, leveraging proprietary software and systems designed to allow for global talent discovery competition based engagement, complete with full suite of social connectivity services including push notifications, challenges, social gamification layers, leader boards, badges and the like.

The MSM approach for the business can be summarised as follows:

- (i) use video media and staggered content release to maximise engagement;
- (ii) implement highly targeted production schedule designed to seed, highlight and enhance independent talent;
- (iii) combine production efforts of competing artists;

- (iv) entice the world's pool of independent artists/musicians to converge on a virtual global stage;
- (v) offer cash prizes and collect "in competition" revenue streams;
- (vi) transform local fan bases into global followings; and
- (vii) enrol the global masses to potentially find the world's most popular independent and unsigned talent.

(b) **Sources of revenue**

The principal revenue sources flowing from the Megastar Millionaire search competitions will be as follows:

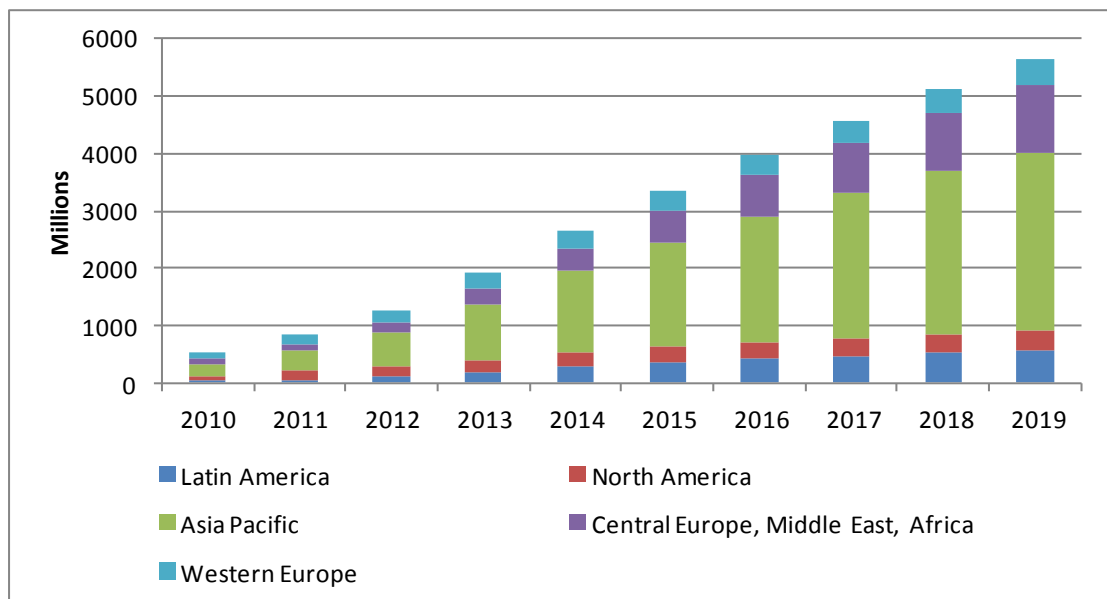
(i) **Premium SMS voting**

Premium SMS is the service of sending an SMS message, with a premium cost over normal SMS, to an "SMS Channel", (i.e. a pre-defined keyword on a specific range of short codes), such as "Text 9 to 21523 to vote for X".

Participants and fans alike shall have, at their option, the ability to enhance the likelihood of a specific contest participant winning the competition via Premium SMS voting -thereby incurring text charges which shall be split between MSM and voters' telecommunications carrier. Under this proven commercialisation venture, monetisation begins the first day of the contest launch.

The chart below illustrates the explosive growth on smartphone adoption, broken out by geographies. It is MSM's intention to leverage the technology and adoption growth potential of smartphone and premium SMS functionality.

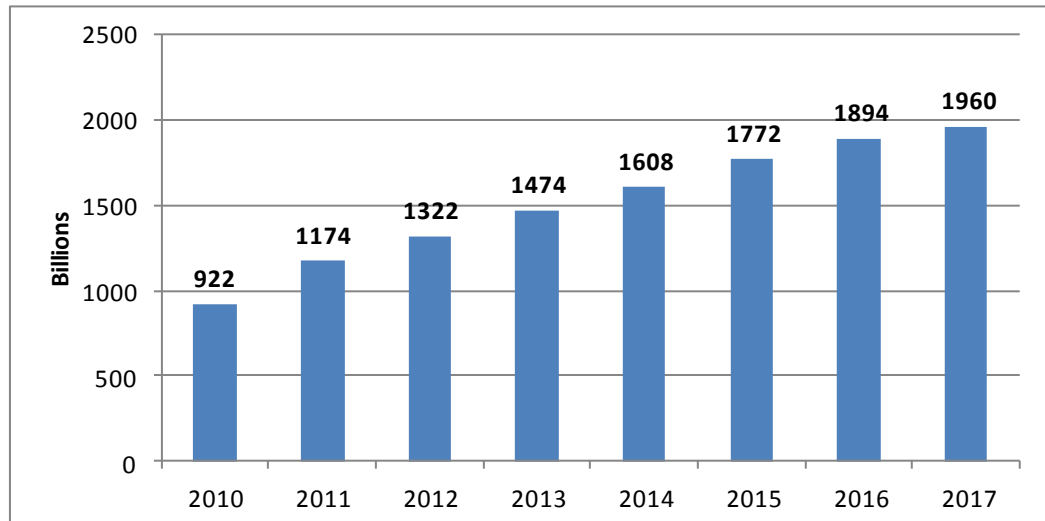
**Global Smartphone Subscriptions by Region, 2010 to 2019**



Source: Ericsson, Mobility Report, 2015

In 2013 texting surpassed voice calls as the primary use of mobile phone usage per user. The chart below table shows evidence and expectation of Premium SMS growth between 2010 and 2017.

### Global A2P (application to person) and P2A (person to application) SMS Volumes, 2010 to 2017

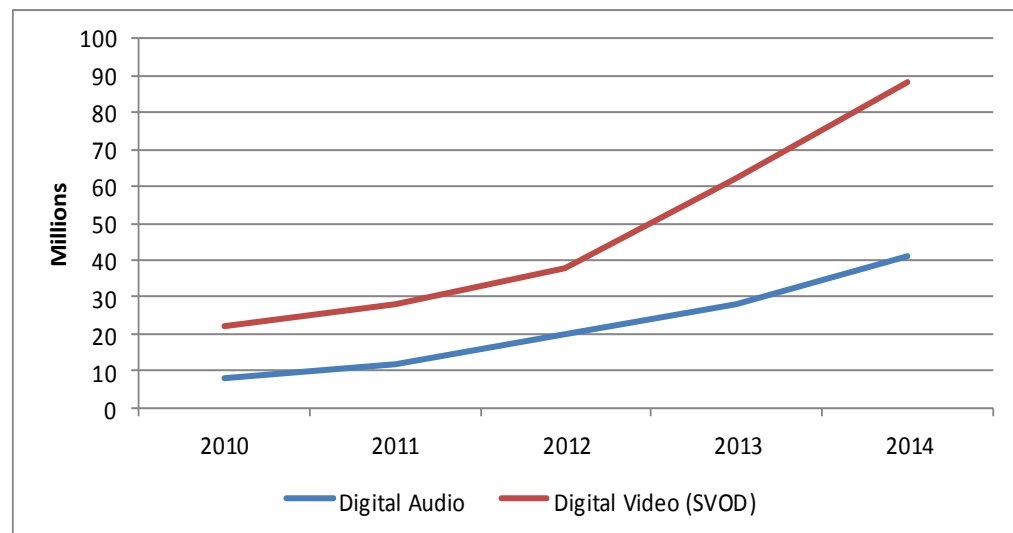


Source: Portio Research, *Worldwide A2P SMS Markets, 2014*

#### (ii) Subscription fees

Subscription fees are an elective decision on the part of the contest participant in order to access premium content within the Megastar Millionaire offering. This shall be recurring revenue for the duration of (and possibly post) contest. Monetisation begins the first day of the contest launch.

### Global Audio and Video Streaming Subscribers, 2010 to 2014

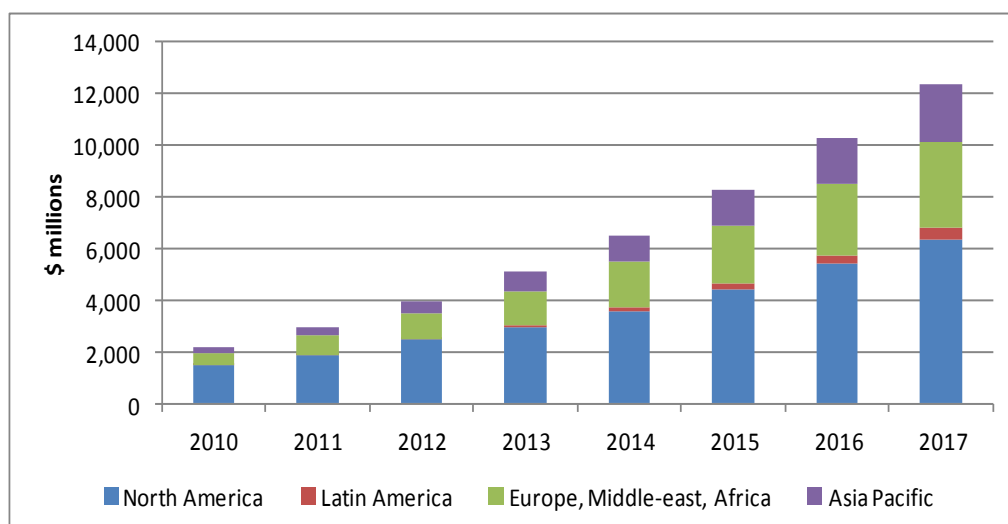


Sources: IPFI, *Digital Music Report, 2011 to 2015* and Ovum, *2015 OTT Video Forecasts*

#### (iii) Advertising revenue

Once significant traffic flows across/through the MSM platform, MSM shall have the opportunity to offer brands and advertising agencies a content site from which digital advertising may be hosted. This is dependent on building minimum viable traffic figures, which shall be accomplished via the acquisition and retention efforts on behalf of the initial Megastar Millionaire contest. Anticipated timing to advertising revenue is no sooner than 120 calendar days following MSM launch, though may be earlier, dependent on consumer acquisition/retention success.

## Global Online Video Advertising Expenditure by Region, 2010 to 2017



Source: Frost & Sullivan estimate based on Interactive Advertising Bureau reports

### (iv) Data resale

In conjunction with critical traffic mass (per advertising approach outlined above), MSM shall leverage its technologies to aggregate consumer behaviour into segments, from which predictive models shall be built and then monetised via third party brands seeking greater consumer insight into their prospective customer base. This revenue opportunity is not anticipated to materialise earlier than 150 calendar days following the contest launch (critical mass and data segmentation/modelling reliant).

The proliferation of data sources such as mobile devices, websites, sensors etc., coupled with an enhanced ability to analyse large data sets, has stimulated interest in "Big Data". Online channels, review sites, mobile devices and sensors are all sources that provide critical business intelligence for organisations. Many organisations are realising the potential value of these data repositories. Big Data primarily focuses on the concept of volume, velocity and variety of data. It allows decision makers to track progress on developments, understand trends and patterns in the market and gain new insights from aggregated data in real-time, thus narrowing both time and information gaps. It delivers the capability to analyse the data and extract information for decision making. Data analytics serves as the means to leverage Big Data for effective analysis.

An estimated 70% of large organisations currently purchase external data and 100% will do so by 2019. In parallel, more organisations will begin to monetise their data by selling it or providing value added content to third-parties.<sup>4</sup> It is anticipated that there will be a growing opportunity for Megastar Millionaire to monetise its data through sale of data or value-added content to third-parties.

### (c) Launch of Megastar Millionaire and development of Platform/Operating System

It is currently anticipated that if the minimum raising under the Capital Raising (\$4 million) is secured, MSM will launch one fully executable Megastar

<sup>4</sup> IDC, Worldwide Big Data and Analytics Predictions for 2015, 2014.



Millionaire Global Talent Search Competition (**Competition**), from pre-launch to completion, within the first 24 months following Completion.

Additional Competitions may be run in the first 24 months following Completion if additional funds are received by the Company under the Capital Raising.

Approximately 9 months after Completion, MSM will launch a "pre-marketing" campaign for the Competition in the United States of America. This pre-marketing will be undertaken with the intention of:

- (i) building awareness of the MSM product offering (**Product**) and creating demand;
- (ii) migrating early adopters both organically and through strategic partners such as "ToneDen" (refer to Section 4.4(g)(i)); and
- (iii) creating "buzz" and marketplace awareness of the Product via paid and unpaid media opportunities.

It is the intention that the Competition shall run for 14 weeks, culminating in the selection of the "MegaStar Millionaire" and the awarding of a US\$1 million cash prize (along with additional prizes of up to US\$115k (US\$1.15 million in total value)).

The specification of functionality, the structure of the technologies and the contractual engagement of third party services shall all be undertaken and completed within the 9 month pre-marking and build period. This shall incorporate the following:

- (i) development of the scope and definition of the Product by MSM's product team is anticipated to be completed within the first 60 days. Risks which may result in delays to this indicative timeframe include, amongst other things, over-estimation of the ease and/or functionality of technologies;
- (ii) the creation of wire-frames by first and third party teams within 30 days following completion of the development of the scope and definition of the Product offering described in Section 4.4(c)(i) above. Risks which may result in delays to this indicative time frame include, amongst other things, inferior code based selection and/or poor Product planning;
- (iii) code development and integration of third party services is anticipated to be completed within 4 to 5 months. Risks which may result in delays to this indicative time frame include, amongst other things, reliance on key personnel, scope creep and/or poor budget to task management;
- (iv) stress testing and system integration is anticipated to be completed within 30 days from completion of the code development described in Section 4.4(c)(iii) above. Risks which may result in delays to this indicative time frame include, amongst other things, improper stress case definition and/or code breakage due to poor infrastructure; and
- (v) beta-launch of the competition in a live environment. Risks which may result in delays to this step include latencies unforeseen in

ISP/Mobile ISP carriers, third party system integrators and customer support systems.

Pre-marketing/"Demand side" advertising shall engage, via various marketing channels, approximately 90 days from launch, on an escalating scale as the launch time grows nearer, and shall continue throughout the duration of the Competition.

(d) **Format of the Megastar Millionaire contest**

MSM's current intention is that the format of the competition will run as follows:

(i) **Step 1: Pre-launch**

Prior to launching the contest, MSM plans to carry out awareness promotions highlighting the opportunity for artists and fans to win prizes by participating in the talent contest.

(ii) **Step 2: Launch**

MSM envisages that the launch will involve artists paying a nominal fee to upload 3 videos to their profile (a performance clip, an interview and a promotional video) as their entry to the contest in one of three categories: solo, group or extreme.

The launch may be supported by viral video promotions featuring celebrity judges and selected independent artists (seed talent) performing flash mob style performances. MSM's focus for this stage of the process will most likely be on talent acquisition and building a social network.

(iii) **Step 3: Auditioning**

During the auditioning process, MSM proposes to allow fans the opportunity to scout talent, vote and promote their favourite artists. Voting may be via pre-paid online voting credits or premium SMS voting through mobile phone accounts.

The top artists with a minimum number of votes from a minimum number of unique fans will then be granted entry into the judging rounds.

(iv) **Step 4: Judging**

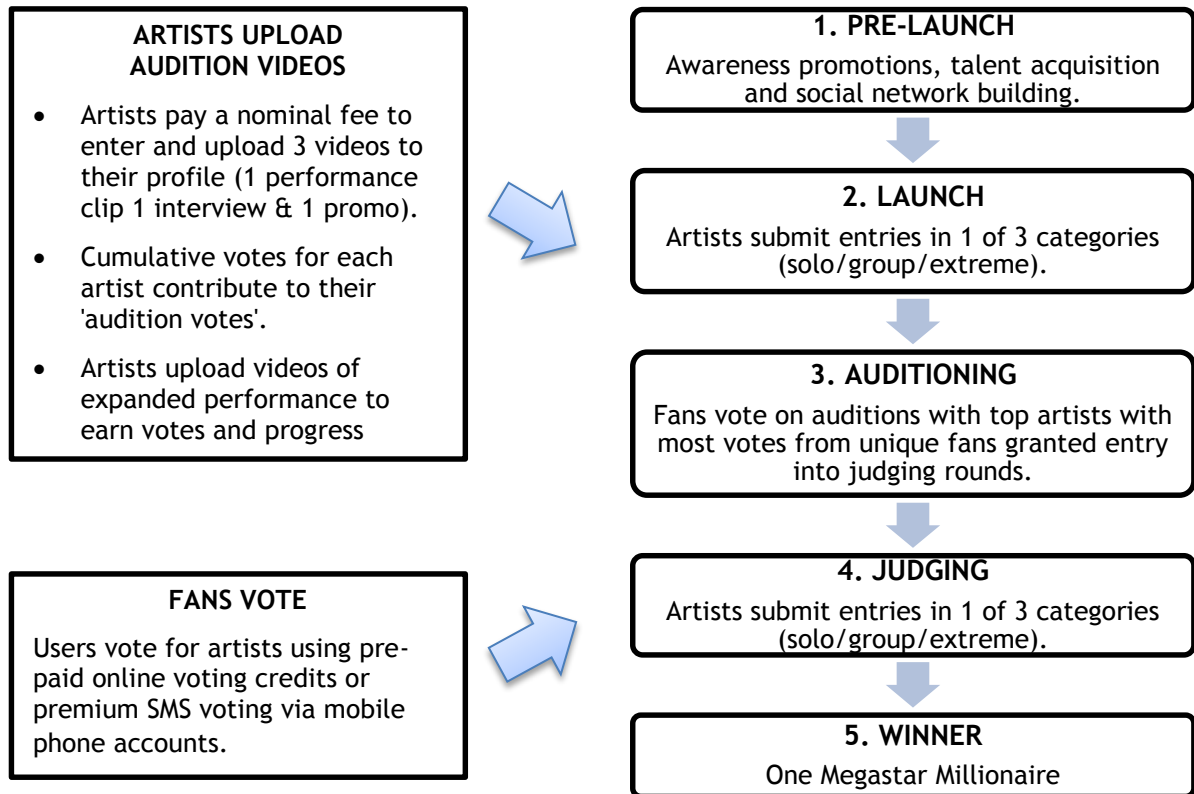
MSM intends that judging rounds will comprise of artists uploading new videos (within the competition timeframe) in one of three categories again (solo, group or extreme) to compete for promotion and judging points. Fans continue to pay to vote for artists.

In the judging stage, celebrity judges may interact with artists and fans online by releasing opinion pieces on standout entries, engaging in public relations and participating in weekly webisodes showcasing highlights on the MSM Platform and social media. MSM also has plans for celebrity judges to be involved in approximately 5 rounds of judging through virtual production and coaching of artists, and 'saving' artists that are eliminated through a lack of votes.

(v) **Step 5: Winners**

It is anticipated that there will be a winner of each of the three categories and then one overall "Megastar Millionaire" artist who may have the opportunity to go on a global tour.

This process is summarised in the table below:



(e) **Potential expansion**

Once the model has been proven and repeated, MSM shall seek to "white label" its proprietary "talent competition" platform as an additional revenue share and reach strategy.

(f) **Competition**

Whilst MSM's research has shown no direct competition to MSM and MSM considers the offering (i.e. the aggregation/consolidation of digital entertainment talent combined with an innovative and lucrative competition) to be unique, defined competitions do exist and have achieved positive reviews and awareness among digital tech watchers. Music examples include:

- (i) Chosen.fm: a karaoke/lip synching video gamification mobile application founded by former Beats CEO, Dave Hyman; and
- (ii) Starmaker Studios: an iOS only karaoke singing game and music video creation software.
- (iii) Mobstar: a mobile talent competition search based on head-to-head competitions allowing for "15 seconds of fame".

(g) **Strategic transactions**

MSM is finalising two transactions that shall have a material effect, from a technology development, on customer acquisition and consumer entertainment newsworthiness perspective. Both of these investments are immediate and long-term strategic fits from an overall corporate strategy perspective.

(i) ToneDen

ToneDen is a music creation software platform, based in Berkeley, California, designed to help millions of artists connect directly with their fans online. In less than 9 months, ToneDen has grown to support over 100,000 creators that use its technology to promote their music and better engage their audiences. ToneDen works with over 500 digital establishments in the industry, including SoundCloud and Spotify, to better understand and grow artist reach online. ToneDen's mobile platform provides fans with a direct point of contact with the artists they support, allowing them to keep up to date with new music and easily share that with their networks. Notable existing investors include Stanford StartX, Silicon Valley's pre-eminent early stage incubator and Allen Debevoise, notable tech entrepreneur and founder of Machinima and Third Wave.

The terms of the ToneDen agreement requires MSM to pay consideration of US\$300,000 as follows to secure a 5% ownership of ToneDen:

- (A) \$100,000 cash tranche (which shall be paid by MSM on or about 3 August 2015); and
- (B) \$200,000 in the form of cash or Shares (at MSM's election), within 30 days following Completion. Any issue of Shares is proposed to be made out of the Company's placement capacity under Listing Rule 7.1 and will be at a deemed issue price equivalent to a 30 day VWAP prior to the date of issue.

It is expected that MSM's investment in ToneDen and the relationships between the management of MSM and ToneDen will result in ToneDen supporting MSM in the following manner:

- (A) leverage its core competencies of music platform technologies and community build into MSM;
- (B) pre-market Megastar Millionaire to its (currently) more than 100,000 global artists; and
- (C) leverage its contacts within music industry influencers to promote MSM.

(ii) Social Media Studios

Social Media Studios aims to be the dominant movie studio and platform to connect social media talent with their audiences. Based in Los Angeles, California, the studio will produce, market and distribute high quality, moderate cost, films leveraging social media audiences and channels, leveraging its portfolio of Hollywood insider talent. Social Media Studios will also create a production & distribution platform that will streamline the process for procuring scripts, digital music rights and casting of talent for managing

production teams and distributing talent. Notable talent associated with Social Media Studios include John Baldecchi, an "A-list" Hollywood executive producer with credits including the Mexican, 88 Minutes and the remake of Point Break. Mr Baldecchi serves as co-founder and CEO, thereby having an active role in Social Media Studios.

MSM has invested US\$50,000 by way of convertible notes in Social Media Studios. The material terms of the convertible notes are as follows:

- (A) interest rate: 5% per annum;
- (B) maturity date: 18 months after the date of issue;
- (C) conversion: the principal and interest of the convertible notes will be converted into fully paid ordinary shares in the capital of Social Media Studios on the earlier of the following:
  - (1) 18 months after the date of issue, at MSM's election; or
  - (2) Social Media Studios completing an equity financing of at least US\$2,500,000 (excluding the convertible notes).

On conversion of the convertible notes, it is anticipated that MSM will secure a 1.25% interest in Social Media Studios. The Co-Founder and Executive Chairman of Social Media Studios is also the Chairman of MSM's US Operations, Mr Doug Barry.

It is expected that MSM's investment in Social Media Studios and the relationships between the management of MSM and Social Media Studios will result in Social Media Studios supporting MSM in the following manner:

- (A) leverage its core competencies of digital entertainment (video, music and social media) platform technologies and community build into MSM;
- (B) agree to allow a mutually agreed upon number of winners the opportunity to leverage their talents for a supporting role within one (or more) of Social Media Studios short form films (a massive unpaid media promotion asset);
- (C) allow MSM to selectively use Mr John Baldecchi to promote Megastar Millionaire and MSM in various paid and non-paid media outlets, including tweets, Facebook updates and interviews; and
- (D) introduce MSM to various digital entertainment industry influencers, either as potential strategic partner and/or investors.

#### **4.5 Key terms of the Acquisition Agreement**

The key terms of the Acquisition Agreement are as follows:

(a) **Conditions Precedent**

Completion of the Acquisition is subject to, amongst other things, the satisfaction or waiver by the parties of the following outstanding conditions:

- (i) **(Regulatory approvals)** the Company obtaining:
  - (A) all regulatory approvals (as required) in order to undertake the Acquisition; and
  - (B) "in principle" approval from ASX for the reinstatement of the Company's Securities to official quotation following Completion;
- (ii) **(Capital Raising)** the Company completing the Capital Raising at the Raising Price;
- (iii) **(Restriction agreements)** each MSM Vendor entering into a restriction agreement imposing restrictions on trading of those securities for a period of 24 months after Completion;
- (iv) **(Shareholder approval)** Shareholders approving each of the Acquisition Resolutions;
- (v) **(services agreements)** services agreements being duly executed by Mr Dion Sullivan and Mr Doug Barry; and
- (vi) **(intellectual property)** the Company being satisfied with MSM's intellectual property rights to conduct the MSM business and that there are no legal impediments to the conduct of the MSM business.

If any of the conditions precedent are not satisfied on or before 5:00pm (WST) on 2 October 2015 (or such later date as the parties may agree in writing), then the Company or the Major Shareholders may terminate the Acquisition Agreement by the provision of written notice to the other parties.

(b) **Board of Directors**

The Board currently comprises:

- (i) Dr Andrew Tunks (Non-Executive Director);
- (ii) Mr Nicholas Ong (Non-Executive Director); and
- (iii) Mr Matthew Foy (Non-Executive Director).

It is intended that Dr Tunks and Mr Ong shall resign at Completion.

It is intended that Mr Foy will remain as a Director and Mr Samuel Edis will continue as Company Secretary.

Mr Sullivan will be appointed as an Executive Director and Mr Wellisch will be appointed as a Non-Executive Director on and from Completion.

See Section 14 for further information on the proposed Directors.

## 4.6 Capital Raising

As set out in Section 4.5(a)(ii) above, one of the conditions precedents to Completion is the completion of the Capital Raising (the subject of Resolution 6) at the Raising Price.

The Company has applied to ASX for, and has received, a waiver from Listing Rule 2.1 Condition 2 and Listing Rule 1.1 Condition 11 (which would otherwise have required the Raising Price to be no less than 20 cents - see Section 7.3 for further details) to allow the Company to offer securities for the Raising Price.

## 4.7 Pro forma balance sheet

A pro forma balance sheet of the Company following completion of the Acquisition contemplated by this Notice of Meeting is set out in Schedule 6.

## 4.8 Pro forma capital structure

Set out below is a pro-forma capital structure of the Company showing the potential numbers of Shares under the Capital Raising to be issued following completion of the Acquisition and the Capital Raising if the Raising Price is \$0.06 or \$0.08. The Company notes that the workings below are examples only and the actual Raising Price may differ. This will result in the number of Shares to be issued under the Capital Raising and the total Shares on issue post completion of the Acquisition to differ.

	Shares (Raising Price of \$0.06)	Shares (Raising Price of \$0.08)	Performance Shares	Options
Existing issued Securities <sup>1</sup>	43,938,402	43,938,402	-	28,501,913 <sup>2</sup>
Consideration Shares (Resolution 2)	75,000,000	75,000,000	100,000,000 <sup>3</sup>	-
Noteholder Consideration Securities (Resolution 4)	25,000,000	25,000,000	-	25,000,000
Consideration Options (Resolution 5)	-	-	-	18,000,000
Capital Raising Shares (Resolution 6):	-	-	-	-
• Minimum Capital Raising (\$4,000,000)	66,666,667	50,000,000	-	-
• Maximum Capital Raising (\$7,000,000)	116,666,667	87,500,000	-	-
Executive Shares (Resolution 10)	12,500,000	12,500,000	-	-
Placement Options <sup>4</sup> (Resolution 13)	-	-	-	3,500,000
<b>Total:</b>				

	Shares (Raising Price of \$0.06)	Shares (Raising Price of \$0.08)	Performance Shares	Options
• Minimum Capital Raising (\$4,000,000)	223,105,069	206,438,402	100,000,000	75,001,913
• Maximum Capital Raising (\$7,000,000)	273,105,069	243,938,402	100,000,000	75,001,913

**Notes:**

1. Assumes no further Securities are issued prior to Completion, other than as set out in the table.
2. Comprised of:
  - 4,351,290 quoted Options exercisable at \$0.65 each on or before 31 December 2015;
  - 22,408,186 unquoted Options exercisable at \$0.10 each on or before 7 November 2019;
  - 757,576 unquoted Options exercisable at \$0.30 each on or before 30 June 2017;
  - 757,587 unquoted Options exercisable at \$0.99 on or before 31 December 2015; and
  - 227,274 unquoted Options exercisable at \$0.21 each on or before 31 December 2015.
3. Comprised of 50,000,000 Class A Performance Shares and 50,000,000 Class B Performance Shares.
4. The issue of the Placement Options is not contingent on Completion occurring and is not connected with the Acquisition.
5. The table does not contemplate the issue of any Shares in consideration for the ToneDen transaction described in Section 4.4(g)(i) on the basis that it is presently unknown what proportion may be paid in cash or Shares and the deemed issue price of any such Shares issued.

The above table is a statement of current intentions as at the date of this Notice and is subject to change.

## 4.9 Proposed budget

The Company has current cash reserves of approximately \$500,000 as at the date of this Notice.

The Company intends to apply the current cash reserves as follows over the next two years, when combined with the proposed minimum or maximum Capital Raising funds, would give a total of \$4,500,000 or \$7,500,000.

Item	Minimum Capital Raising (\$4,000,000) plus existing cash	Maximum Capital Raising (\$7,000,000) plus existing cash
Technology & platform development	1,050,000	1,800,000
Sales & marketing (including competition prizes)	1,600,000	2,050,000
Strategic acquisitions	100,000	785,000
Contract business services	275,000	700,000
Costs associated with the Acquisition and the Capital Raising	440,000	620,000



Item	Minimum Capital Raising (\$4,000,000) plus existing cash	Maximum Capital Raising (\$7,000,000) plus existing cash
Working capital and corporate administration	1,035,000	1,545,000
<b>TOTAL</b>	<b>4,500,000</b>	<b>7,500,000</b>

**Note:** The Directors reserve the discretion to modify the Capital Raising and the above table. The above table is a statement of current intentions as at the date of this Notice. Intervening events may alter the way funds are ultimately applied by the Company.

#### 4.10 Anticipated timetable for the key business the subject of the Resolutions

Event	Indicative Timing
Shares suspended from official ASX quotation Meeting Date ASX notified whether Shareholders' approval has been granted for the Resolutions	7 October 2015
Lodgement of Prospectus and Prospectus offers anticipated to open	8 October 2015
Prospectus offers close	5pm (WST) 21 October 2015
Issue date	27 October 2015
Subject to Directors' satisfaction that the conditions precedent in Acquisition Agreement are satisfied (or waived), Completion of the Acquisition Agreement.	27 October 2015
Commencement of trading of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and subject to ASX agreeing to reinstate the Company's Shares to quotation)	3 November 2015

**Note:** The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders or Option holders.

#### 4.11 Board intentions if Completion occurs

In the event that the conditions precedent to the Acquisition are satisfied (including successful completion of the Capital Raising), the funds raised from the Capital Raising, together with the Company's existing cash reserves will be used to:

- (a) advance development of the MSM business;
- (b) meet the ongoing administration costs of the Company;
- (c) pay the costs of the Capital Raising and Acquisition; and
- (d) otherwise contribute to the working capital of the Company.

It is intended to allocate the funds raised from the Capital Raising and existing cash reserves as set out in Section 4.9 above.

#### **4.12 Advantages of the proposals in the Acquisition Resolutions**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on each Acquisition Resolution:

- (a) the Acquisition represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's Shares. The Acquisition may also encourage new investors in the Company as a result of the Company pursuing a new strategic direction. This improvement in the attractiveness of an investment in the Company may lead to an increased liquidity of Shares and greater trading depth than currently experienced by Shareholders;
- (b) the Acquisition provides an opportunity for the Company to diversify its interests to include MSM, which is developing an online music competition, and therefore expose the Company to a growth industry and provide Shareholders with the opportunity to share in the future prospects of MSM's business. The Directors consider that in the current market environment there is a greater likelihood of restoring Shareholder value by changing the nature of the Company's business to focus on media and technology rather than remaining a junior mineral explorer;
- (c) the proposed new Directors and management of MSM have extensive experience and a proven track record within the media and technology industries and is anticipated to provide the Company with a greater ability to raise funds and attract expertise;
- (d) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisition and may also be exposed to further debt and equity opportunities that it did not have prior to the Acquisition; and
- (e) no cash consideration is being paid for the Acquisition and part of the equity consideration (the Performance Shares) is subject to operational performance hurdles.

#### **4.13 Disadvantages of the proposals in the Acquisition Resolutions**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on each Acquisition Resolution:

- (a) the Company will be changing the nature and scale of its activities to become a company focused on online competitions, as referred to above, which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition and the Capital Raising will result in the issue of Shares to the MSM Vendors and new investors, which will have a dilutionary effect on the holdings of Shareholders; and
- (c) there are inherent risks associated with the change in nature of the Company's activities. Some of these risks are summarised in Section 5 below. The MSM business has a different risk and reward profile to that historically attributed to the Company, and this new risk profile may not suit all Shareholders.

#### **4.14 Plans for the Company if the Acquisition Resolutions are not passed**

If the Acquisition Resolutions are not passed and the Acquisition is not completed, the Company will continue to develop its existing business and look for potential projects in order to continue to take the Company forward.

#### **4.15 Directors' interests in the Agreement**

None of the Company's existing Directors have any interest in the proposed Acquisition pursuant to the Acquisition Agreement, other than as disclosed in this Notice.

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### **5. Risks associated with the Acquisition**

Shareholders should be aware that if the proposed Acquisition is approved, the Company will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of risk factors are as follows:

#### **5.1 Risks relating to the change in nature and scale of activities**

##### **(a) Reinstatement of securities to quotation on ASX**

The acquisition of MSM constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation of its Shares and quoted Options. Should this occur, the Shares and quoted Options will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares and quoted Options should the Company be suspended until such time as it does re-comply with the Listing Rules.

##### **(b) Dilution risk**

The Company currently has 43,938,402 Shares on issue. On completion of the Acquisition, the Company proposes to issue Shares, Performance Shares and Options as required pursuant to the Acquisition Agreement and issue Shares as part of the Capital Raising.

On issue of the consideration under the Acquisition and the subscription of the Shares under the Capital Raising (assuming no Options are exercised, the Raising Price is \$0.06 and the maximum amount under the Capital Raising is achieved), the existing Shareholders will retain approximately 16.09% of the issued capital of the Company, with the MSM Shareholders (including Mr Barry) holding 32.04%, the MSM Noteholders holding 9.15% and the investors under the Capital Raising holding 42.72%.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the MSM business.

##### **(c) Liquidity risk**

The Securities to be issued to the MSM Vendors, the MSM Noteholders and Mr Doug Barry in accordance with the Acquisition Agreement will be subject to escrow restrictions.

This could be considered an increased liquidity risk, as a large portion of issued capital may not be able to be traded freely for a period of time.

(d) **Contractual risk**

Pursuant to the Acquisition Agreement (summarised above) the Company has agreed to acquire 100% of the issued share capital of MSM, subject to the satisfaction or waiver of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

## 5.2 Risks specific to the Company

(a) **Acquisition of MSM**

There are a number of specific risks involved for the Company, and consequently its Shareholders, in the acquisition of MSM, including risks specific to the business and assets of MSM, which include the following non-exhaustive list:

(i) **Technology risks**

Technologies for select aspects of MSM are still an immature market, in a commercial sense. Adaptations of MSM into software and hardware are relatively new and there is little to reference in terms of commercial implementations as a technology platform. Specific applications have developed and are proven, the aggregation of said technologies is nascent.

MSM may need to be fluid in its scale processes, either upwards or downwards, whilst remaining effective to performance. With our focus on the mobile aspects of the business, there is reliance on outside factors (e.g. mobile carriers' networks) to be considered.

(ii) **MSM operations personnel**

Success of the business will depend on ability of the Directors and officers of the Company to develop the business and manage operations, and on the ability to attract and retain key quality product development, technical, engineering, business development and marketing staff, as well as key providers such as talent managers and competition judges. 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.

(iii) **MSM's intellectual property**

MSM had lodged a provisional patent application in the US to protect its intellectual property interests in the US while also securing foreign priority for its patent rights. The US provisional application process provides MSM with foreign priority for subsequent patent applications

filed in countries that are signatories to the Paris Convention - roughly 165 countries are members - which recognise patent priority in each of those signatory countries. MSM's provisional patent application in the United States creates a priority date that can be used to establish priority in any Paris Convention country. In the coming months, MSM plans to file at least one non-provisional patent application under the Patent Cooperation Treaty that claims priority to its US provisional application.

The prospect of attaining patent protection for products such those proposed to be used in the MSM business 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 MSM's ability to obtain patents for its products.

MSM has also filed trademark applications for "Megastar Millionaire", "MSM", and the Megastar Millionaire logo in each of the following jurisdictions: Australia, European Union, Singapore and the United States.

There is a risk that the patent and trademark applications may not be successful and MSM may not be able to obtain patent and/or trademark protection in the future. If any patents and/or trademarks are granted in the future, they may not provide MSM with any competitive advantages or may be challenged by third parties.

There is a risk that the trademark applications may not be accepted, and subsequently registered. While this will not prevent MSM from trading using the ASX code "MSM" or continuing to trade under its current branding, it may limit MSM's ability to prevent a competing product being made available by another party using the same or similar branding, and may also give rise to a greater risk of a claim of trademark infringement being made against MSM. Accordingly, if all or some of the trademark applications are not accepted, the Company may be required to "rebrand" the MSM business, which may result in costs being incurred, a potential loss of goodwill and delays in the development of the MSM business.

**(iv) Infringement of third party intellectual property rights**

MSM 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 MSM and cause a distraction to management. In addition, unauthorised use of the MSM brand in counterfeit products may result in potential revenue loss and have an adverse impact on MSM's brand value and perceptions of its product qualities.

Although MSM has advised the Company that it is not aware of any third party interests in relation to the intellectual property rights of the intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties alleging that their intellectual property rights have been infringed. In particular, the Company notes that it is aware of the existence of

registered trademarks which may be considered similar to those trademarks proposed to be used by MSM. As noted in Section 5.2(a)(iii) above, if all or some of MSM's trademark applications are not granted, the Company may consider "rebranding" the MSM business to, amongst other things, reduce the risk of a claim of trademark infringement.

(v) **Market risks**

Due to the early stage of MSM in the marketplace, there is no single paradigm on what the best method for achieving commercial success. The risks are intimately intertwined with that of the technology being at a nascent stage.

(b) **Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations; increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company's ability to operate in the future will depend in part on whether it is able to effectively commercialise its potential interests in products. This will depend on successful completion of product development activities, obtaining regulatory approval and on there being commercial demand for such products which cannot be guaranteed.

### **5.3 Industry specific risks**

(a) **Competition risks**

While MSM may have an idea and a technology that is at the leading edge of digital music entertainment competitions, this does not preclude other alternative ideas/technologies being developed and overtaking the MSM technology in performance or utility. There is a risk that a large or emerging entertainment media company may make an investment into competing technologies within the industry, leveraging its existing artist reach.

(b) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the estimates summarised in Section 4.9 above. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

### **5.4 General risks**

(a) **Additional requirements for capital**

The funds raised under the Capital Raising are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (including in relation

to MSM) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses, which the Company may incur. If such events occur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing 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 their activities and potential research and 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.

**(b) Economic risks**

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 business activities and potential research and development programmes, as well as on their ability to fund those activities.

**(c) Insurance risks**

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

**(d) Litigation risks**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property claims. Further, the Company may be involved in disputes with other parties in the future, which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor MSM are currently engaged in any litigation.

**(e) Dependence on outside parties**

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

**(f) Market conditions**

Share market conditions may affect the value of the Company's Shares 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; and
- (vi) 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 stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders arising from the transactions the subject of this Notice or otherwise.

**(g) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company and MSM will depend substantially on their senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.

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## **6. Directors' recommendation**

The Directors unanimously recommend the Acquisition (and the change in nature and scale of the Company's activities) and that Shareholders vote in favour of the Resolutions.

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## **7. Resolution 1 - Approval to change in nature and scale of activities**

### **7.1 General**

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the acquisition of 100% of the issued capital of MSM.

A detailed description of the proposed Acquisition is outlined in Section 4 above.

### **7.2 Listing Rule 11.1**

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the official list of ASX.



ASX has confirmed to the Company that given the significant change in the nature and scale of the activities of the Company upon completion of the Acquisition, it requires the Company to:

- (a) obtain the approval of its Shareholders for the proposed change of activities; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2 and pursuant to Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Memorandum.

### **7.3 Guidance Note 12**

Recent changes to Guidance Note 12 alter ASX's policy in relation to the application of the "20 cent rule" to re-compliance listings. Previously a company had to re-comply to the Official List of the ASX at an issue price of 20 cents per share as part of compliance with Chapters 1 and 2 of the ASX Listing Rules. Guidance Note 12 states that this issue price can now be below 20 cents when an entity's securities have been trading on ASX at less than 20 cents. ASX will consider a request not to apply the 20 cent rule provided the issue price, sale price or exercise price for any securities being issued or sold as part of, or in conjunction with, the transaction:

- (a) is not less than two cents each;
- (b) is specifically approved by security holders as part of the approval obtained under Listing Rule 11.1.2; and
- (c) ASX is otherwise satisfied that the entity's proposed capital structure after the transaction will satisfy Listing Rules 1.1 condition 1 and 12.5 (appropriate structure for a listed entity).

For this reason, the Company is seeking Shareholder approval for the Company to issue Shares at the Raising Price as part of the approvals sought under ASX Listing Rule 11.1.2.

### **7.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1.

Resolution 1 is an ordinary resolution.

Resolution 1 is subject to approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

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## **8. Resolution 2 - Approval to issue Consideration Shares**

### **8.1 General**

Resolution 2 seeks Shareholder approval for the issue of the Consideration Shares.

## **8.2 Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **8.3 Chapter 2E of the Corporations Act and Listing Rule 10.11**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

In their capacity as MSM Shareholders:

- (a) 9,712,230 Shares and 12,949,640 Performance Shares will be issued as Consideration Shares to an associate of Mr Adam Wellisch, a proposed Director; and
- (b) 4,046,763 Shares and 5,395,684 Performance Shares will be issued as Consideration Shares to an associate of Mr Dion Sullivan, a proposed Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Shares to associates of the proposed Directors because the agreement to grant the Consideration Shares reached as part of the Acquisition Agreement is considered reasonable consideration for the Acquisition and was negotiated on an arm's length basis.

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Consideration Shares to associates of the proposed Directors and consequently Shareholders' approval is not sought under Listing Rule 10.11.

## **8.4 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) a maximum of:
  - (i) 75,000,000 Shares;
  - (ii) 50,000,000 Class A Performance Shares; and

- (iii) 50,000,000 Class B Performance Shares,  
are to be issued as Consideration Shares;
- (b) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Consideration Shares are issued in consideration for the MSM Shareholders' MSM Shares and will therefore be issued at an issue price of nil;
- (d) the Consideration Shares will be issued to the MSM Shareholders, none of whom are a related party of the Company other than by reason of the Acquisition, in consideration for their respective MSM Shares as set out in Schedule 4;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Class A Performance Shares and Class B Performance Shares will be issued on the terms and conditions in Schedule 2;
- (f) no funds will be raised from the issue of the Consideration Shares as they are to be issued in consideration for the MSM Shareholders' MSM Shares;
- (g) it is intended that the Consideration Shares will be issued on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

## **8.5 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

Resolution 2 is subject to approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

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## **9. Resolution 3 - Approval of Performance Shares**

### **9.1 General**

Resolution 3 seeks Shareholder approval for the Company to be authorised to issue the Performance Shares as a new class of shares.

A company with a single class of shares on issue, which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the constitution already provides for such an issue.

Under clause 2.2 of the Constitution and, subject to the Corporations Act, the Listing Rules and the Constitution, the Company may issue unissued shares in the Company on any terms, at any time and for any consideration as the Directors resolve.

Section 246B of the Corporations Act and clause 2.4 of the Constitution provide that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the members holding shares in that class; or
- (b) with the written consent of members who are entitled to at least 75% of the votes in that class.

Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares as a new class of shares on the terms in Schedule 2.

## **9.2 Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 3 is subject to the approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

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## **10. Resolution 4 - Approval to issue Noteholder Consideration Securities**

### **10.1 General**

Resolution 4 seeks Shareholder approval the issue of the Noteholder Consideration Securities.

### **10.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 4 will be to allow the Company to issue the Noteholder Consideration Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **10.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Note holder Consideration Securities:

- (a) a maximum of 25,000,000 Shares and 25,000,000 Options are to be issued as Noteholder Consideration Securities;
- (b) the Noteholder Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Noteholder Consideration Securities are issued in consideration for the MSM Noteholders' convertible notes in MSM and will therefore be issued at an issue price of nil;
- (d) the Noteholder Consideration Securities will be issued to the MSM Noteholders, none of whom are a related party of the Company other than by reason of the Acquisition;

- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Options will be issued on the terms and conditions in Schedule 3;
- (f) no funds will be raised from the issue of the Noteholder Consideration Securities as they are to be issued in consideration for the MSM Noteholders' convertible notes in MSM; however, the issue of the Noteholder Consideration Securities will have the effect of removing a liability of \$800,000 from MSM's and the combined entity's balance sheet;
- (g) it is intended that the Noteholder Consideration Securities will be issued on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

#### **10.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

Resolution 4 is subject to the approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

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### **11. Resolution 5 - Approval to issue Consideration Options**

#### **11.1 General**

Resolution 5 seeks Shareholder approval for the issue of the Consideration Options.

#### **11.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Consideration Options during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **11.3 Chapter 2E of the Corporations Act and Listing Rule 10.11**

A summary of Chapter 2E of the Corporations Act and Listing Rule 10.11 is contained in Section 8.3 above.

In their capacity as MSM Optionholders:

- (a) 6,000,000 Options will be issued as Consideration Options to an associate of Mr Adam Wellisch, a proposed Director; and
- (b) 6,000,000 Options will be issued as Consideration Options to an associate of Mr Dion Sullivan, a proposed Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Options to associates of the proposed Directors because the agreement to grant the Consideration Options reached as part of the Acquisition Agreement is considered reasonable consideration for the Acquisition and was negotiated on an arm's length basis.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Consideration Options to associates of the proposed Directors and consequently Shareholders' approval is not sought under Listing Rule 10.11.

#### **11.4 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Options:

- (a) a maximum of 18,000,000 Options are to be issued as Consideration Options;
- (b) the Consideration Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Consideration Options are issued in consideration for the MSM Optionholders agreeing to the cancellation of their MSM Options and will therefore be issued at an issue price of nil;
- (d) the Consideration Options will be issued to the MSM Optionholders, none of whom are related parties of the Company other than by reason of the Acquisition, in consideration for their respective MSM Options as set out in Schedule 4;
- (e) the Consideration Options will be issued on the terms and conditions in Schedule 3;
- (f) no funds will be raised from the issue of the Consideration Options as they are to be issued in consideration for the MSM Option holders' agreeing to the cancellation of their MSM Options;
- (g) it is intended that the Consideration Options will be issued on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

#### **11.5 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 is an ordinary resolution.

Resolution 5 is subject to the approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

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## **12. Resolution 6 - Approval to issue Capital Raising Shares**

### **12.1 General**

Resolution 6 seeks Shareholder approval for the issue of the Capital Raising Shares.

### **12.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 6 will be to allow the Company to issue the Capital Raising Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **12.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares to be issued as Capital Raising Shares is will depend on the Raising Price, which will be the higher of \$0.06 and the price that is a 20% discount to the VWAP calculated over the last 10 days on which sales in Shares were recorded on ASX before the Meeting;
- (b) the Capital Raising Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the issue price of the Capital Raising Shares will be the higher of \$0.06 per Share or the price that is 20% discount to the VWAP for Shares calculated over the last 10 days on which sales in Shares were recorded on ASX before the date of the Meeting;
- (d) the Capital Raising Shares are proposed to be issued to the public at the Board's discretion pursuant to a public offer by Prospectus for the purpose of Listing Rule 1.1 condition 3. None of the subscribers for the Capital Raising will be related parties of the Company;
- (e) the Capital Raising Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company's intended use of the funds raised from the issue of the Capital Raising Shares is set out in Section 4.9 above;
- (g) it is intended that the Capital Raising Shares will be issued on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

### **12.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is an ordinary resolution.

Resolution 6 is subject to the approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 6.

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## **13. Resolution 7 - Approval of change of Company name**

### **13.1 General**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 7 seeks the approval of Shareholders for the Company to change its name to 'MSM Corporation International Limited'.

If Resolution 7 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 7 is passed (along with the other Acquisition Resolutions), the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

### **13.2 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 7.

Resolution 7 is a special resolution.

Resolution 7 is subject to the approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 7.

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## **14. Resolutions 8 and 9 - Election of Directors - Messrs Wellisch and Sullivan**

### **14.1 General**

Pursuant to the Acquisition Agreement, at Completion it is proposed that Messrs Wellisch and Sullivan each be appointed as a Director.

Resolution 8 seeks approval for the election of Mr Wellisch as a Director on and from Completion if each of the other Acquisition Resolutions is approved by Shareholders.

Resolution 9 seeks approval for the election of Mr Sullivan as a Director on and from Completion if each of the other Resolutions is approved by Shareholders.

Clause 13.3 of the Constitution provides that Shareholders may elect a person as a Director by a resolution passed in general meeting.

Information on the qualifications, skills and experience of Messrs Wellisch and Sullivan is set out below.

### **14.2 Mr Adam Wellisch**

Mr Wellisch has over 18 years' experience in technology strategy, business administration, systems consulting and software development. He has held executive and non-executive positions for technology organisations ranging from start-ups to large multinationals. Recent appointments include Asia-Pacific CIO for market leading FTSE 100, Compass Group plc and Information Systems Director for Bupa's fast-growing Health Services division.

The Board has considered Mr Wellisch's independence and considers that he is not an independent Director.



### **14.3 Mr Dion Sullivan**

Mr Sullivan is a digital marketing veteran with more than 20 years' experience. He was first awarded a Gold Effie for advertising effectiveness at Clairol (Bristol Myers Squibb). In 1996 he assisted in spearheading the launch of FTD.com (Interflora internationally), transforming a 90 year old struggling not-for-profit into a thriving NASDAQ listing (current market cap ~US\$825m) and winning another Gold Effie. He has since served as Marketing Vice President at Bank of America and senior executive roles at Viacom, MTVN, VideoJax (with Mr Barry) and Betfair/TVG.

The Board recognises that, as an executive Director, Mr Sullivan will not be independent.

### **14.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolutions 8 and 9.

Resolutions 8 and 9 are ordinary resolutions.

Resolutions 8 and 9 are subject to the approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 8 and 9.

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## **15. Resolution 10 - Approval to issue Executive Shares**

### **15.1 General**

Resolution 10 seeks Shareholder approval for the issue of the Executive Shares to Mr Doug Barry.

Mr Barry has been engaged as the Chairman of MSM's US Operations. Please refer to Section 4.3(b)(i) above for additional information.

The issue of the Executive Shares to Mr Doug Barry is in satisfaction of the Company's contractual obligations to Mr Barry under his services agreement with MSM Music Inc., a wholly-owned subsidiary of MSM which will become a subsidiary of the Company at Completion.

### **15.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 10 will be to allow the Company to issue the Executive Shares to Mr Barry during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **15.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Executive Shares:

- (a) a maximum of 12,500,000 Shares are to be issued as Executive Shares;
- (b) the Executive Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (c) the Executive Shares are issued in consideration for the provision of services by Mr Barry and will therefore be issued at an issue price of nil, however they have a deemed issue price of \$0.04 per Share;
- (d) the Executive Shares will be issued to Mr Barry (or his nominee), who is not a related party of the Company;
- (e) the Executive Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the issue of the Executive Shares as they are to be issued in consideration for the provision of services by Mr Barry;
- (g) it is intended that the Executive Shares will be issued on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

#### **15.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 10.

Resolution 10 is an ordinary resolution.

Resolution 10 is subject to the approval of the other Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolution 10.

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## **16. Resolutions 11 and 12 - Ratification of Prior Issues**

### **16.1 General**

On 13 February 2015, the Company announced that it had placed 625,000 Shares and 625,000 Options in settlement of professional fees in accordance with its placement capacity under Listing Rule 7.1 (**Professional Fee Securities**).

On 30 April 2015 and 4 May 2015, the Company announced that it had raised approximately \$280,000 by way of the placement of a total of 7,000,000 Shares at an issue price of \$0.04 each (**Placement**) as follows:

- (a) 4,197,010 Shares were issued in accordance with the Company's placement capacity under Listing Rule 7.1 (**Tranche 1 Placement Shares**); and
- (b) 2,802,990 Shares were issued in accordance with the Company's placement capacity under Listing Rule 7.1A (**Tranche 2 Placement Shares**).

Resolution 11 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares and the Tranche 2 Placement Shares.

Resolution 12 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Professional Fee Securities.

### **16.2 Listing Rule 7.4**

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

Listing Rule 7.1A provides that an "Eligible Entity" may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting. This extra 10% capacity is in addition of the Company's 15% capacity under Listing Rule 7.1. The Company confirms that it is an "Eligible Entity" and that it obtained approval from Shareholders at its last annual general meeting for this placement capacity in accordance with the Listing Rules.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rules 7.1 and/or 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and/or 7.1A (as applicable).

By ratifying the issue of the Tranche 1 Placement Shares and the Professional Fee Securities, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

By ratifying the issue of the Tranche 2 Placement Shares, the Company will, in the event that Resolution 1 is not passed, retain the flexibility to issue equity securities in the future up to the 10% additional placement capacity set out in Listing Rule 7.1A (as approved by Shareholders on 27 November 2014) without the requirement to obtain prior Shareholder approval.

The Company notes that its approval to issue equity securities in accordance with Listing Rule 7.1A will expire upon the approval of Resolution 1.

### **16.3 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Tranche 1 Placement Shares, Tranche 2 Placement Shares, and the Professional Fee Securities:

- (a) a total of:
  - (i) 4,197,010 Shares were issued as Tranche 1 Placement Shares;
  - (ii) 2,802,990 Shares were issued as Tranche 2 Placement Shares; and
  - (iii) 625,000 Shares and 625,000 Options were issued as Professional Fee Securities;
- (b) the issue price in respect of the 7,000,000 Shares issued under the Placement was \$0.04 per Share and the issue price in respect of the 625,000 Shares and 625,000 Options issued as Professional Fee Securities was nil;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Options are exercisable at 10 cents each, on or before 7 November 2019. Further terms and conditions of the Options are set out in Schedule 3;
- (d) all Shares and Options were issued to sophisticated and professional investors who were not and are not related parties of the Company;
- (e) the funds raised in respect of the Placement have and will continue to be used to fund due diligence and other associated costs of the Acquisition (including

this Notice) and otherwise for general working capital. No funds were raised from the issue of the Professional Fee Securities as they were issued in lieu of professional fees for research and marketing services; and

- (f) voting exclusion statements are included in the Notice.

#### **16.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolutions 11 and 12.

Resolutions 11 and 12 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 11 and 12.

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### **17. Resolution 13 - Approval to issue Placement Options**

#### **17.1 General**

Resolution 13 seeks Shareholder approval for the issue of the Placement Options to the participants in the Placement.

#### **17.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 13 will be to allow the Company to issue the Placement Options to the participants in the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **17.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Placement Options:

- (a) a maximum of 3,500,000 Options are to be issued as Placement Options.
- (b) the Placement Options will be issued by no later than 3 months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Placement Options will be issued for nil cash consideration as they are free attaching to Shares issued under the Placement. Accordingly no funds will be raised from the issue of the Placement Options;
- (d) the Placement Options will be issued to sophisticated and professional investors that participated in the Placement. The subscribers are not related parties of the Company;
- (e) the Placement Options are exercisable at 10 cents each, on or before 7 November 2019. Further terms and conditions of the Options are set out in Schedule 3.
- (f) no funds will be raised from the issue of the Placement Options as they are free attaching to Shares issued under the Placement;

- (g) it is intended that the Placement Options will be issued on the same date, being as soon as practicable after the Meeting; and
- (h) a voting exclusion statement is included in the Notice.

#### **17.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 13.

Resolution 13 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 13.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**A\$ or \$** means Australian dollars.

**Acquisition** means the acquisition of MSM in accordance with the Acquisition Agreement.

**Acquisition Agreement** has the meaning given in Section 4.2.

**Acquisition Resolutions** means Resolutions 1 to 10 (inclusive).

**ASIC** means the Australian Securities and Investments Commission.

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

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, 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.

**Capital Raising** means the Company's proposal under Resolution 6 to raise a minimum of \$4,000,000 (and a maximum of \$7,000,000) via a public offer under the Prospectus.

**Capital Raising Shares** means the Shares proposed to be issued under the Capital Raising.

**Chair or Chairman** means the person appointed to chair the Meeting.

**Class A Performance Shares** has the meaning given in Schedule 2.

**Class B Performance Shares** has the meaning given in Schedule 2.

**Company** means Minerals Corporation Limited ACN 002 529 160.

**Completion** means completion under the Acquisition Agreement of the sale by the MSM Vendors and purchase by the Company of 100% of the issued capital of MSM.

**Consideration Options** has the meaning given in Resolution 5.

**Consideration Shares** has the meaning given in Resolution 2.

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Executive Shares** has the meaning given in Resolution 10.

**Explanatory Memorandum** means the explanatory memorandum, which forms part of the Notice.

**Listing Rules** means the listing rules of ASX.

**Major Shareholders** means Mr Adam Geoffrey Wellisch, Webstar Group International Pty Ltd, Mr Dion Matthew Sullivan, and Tranaj Nominees Pty Ltd.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**MSM** means Megastar Millionaire Pty Ltd ACN 601 196 392.

**MSM Noteholder** means a holder of convertible notes in MSM.

**MSM Option** means an option to acquire MSM Share.

**MSM Optionholder** means a holder of MSM Options.

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

**MSM Shareholder** means a holder of MSM Shares.

**MSM Vendors** means the MSM Shareholders and the MSM Optionholders.

**Noteholder Consideration Securities** has the meaning given in Resolution 4.

**Notice** means this notice of general meeting.

**Option** means an option, which entitles the holder to subscribe for one Share.

**Optionholder** means the holder of an Option.

**Performance Shares** means the proposed class of shares in the capital of the Company with the terms and conditions in Schedule 2.

**Placement** has the meaning given in Section 16.

**Placement Options** has the meaning given in Resolution 13.

**Professional Fee Securities** has the meaning given in Section 16.1.

**Prospectus** means the prospectus proposed to be issued by the Company in relation to the Capital Raising.

**Proxy Form** means the proxy form attached to the Notice.

**Raising Price** means the higher of:

- (a) \$0.06 per Share; or
- (b) the price that is a 20% discount to the VWAP for Shares calculated over the last 10 days on which sales in Shares were recorded on ASX before the date of the Meeting.

**Resolutions** means the resolutions referred to in the Notice or any one of them, as the context requires.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Securities** mean all Equity Securities of the Company, including a Share and an Option.

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

**Shareholder** means the holder of a Share.

**Tranche 1 Placement Shares** has the meaning given in Section 16.1.

**Tranche 2 Placement Shares** has the meaning given in Section 16.1.

**US\$** means United States dollars.

**VWAP** means volume-weighted average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.



## Schedule 2 - Terms and Conditions of Performance Shares

### 1. Definitions

Words with a capitalised letter in these Terms have the meaning given below, or otherwise as set out in Schedule 1:

**Conversion Event** means:

- (a) the achievement of a Performance Hurdle set out in paragraph 4(a); or
- (b) the happening of any of the event/s set out in paragraph 4(e).

**Deal** means to sell, transfer, assign, novate, vary, mortgage, encumber, create any equitable interest, share any rights, or otherwise deal with any right, title or interest, or agreement to do any of these actions.

**Expiry Date** means:

- (c) in respect of the Class A Performance Hurdle, the date that is 3 years from the date of issue of Class A Performance Shares; and
- (d) in respect of the Class B Performance Hurdle, the date that is 5 years from the date of issue of Class B Performance Shares.

**Holder** means a holder of Performance Shares.

**MSM Platform** means the website or websites associated with MSM's business.

**Performance Hurdle** means a performance hurdle set out in paragraph 4(a) and each of **Class A Performance Hurdle** and **Class B Performance Hurdle** have a corresponding meaning in relation to the relevant Performance Shares.

**Performance Share** means a performance share convertible into an MSC Share upon achievement of the relevant Performance Hurdle, issued on the terms and conditions set out in the Terms, and each of **Class A Performance Share** and **Class B Performance Share** have a corresponding meaning in relation to the relevant Performance Hurdle applicable to each class.

**Terms** means these terms of issue which apply to the Performance Shares.

### 2. Interpretation

Grammatical variations of any words or phrases defined in paragraph 1 have a corresponding meaning.

### 3. Performance Shares

- (a) The Performance Shares are issued with the rights and on the terms set out in these Terms.
- (b) These Terms have been determined by the Directors in accordance with clause 2.2 of the Constitution.
- (c) These Terms prevail to the extent of any inconsistency with the Constitution.

- (d) Once a Conversion Event occurs in respect of Performance Shares, that number of Performance Shares that are subject to the Conversion Event will no longer be governed by these Terms, but will be converted to one Share for each Performance Share and their terms will be varied so that they are subject to the same rights and terms as all other Shares.

#### 4. Conversion

- (a) Subject to paragraphs 4(d) and 4(e):
  - (i) 50,000,000 Class A Performance Shares will convert into 50,000,000 Shares if the Company achieves \$5,000,000 in earnings before interest, tax, depreciation and amortisation (EBITDA) or the MSM Platform achieves a number of unique registered users of at least 1,000,000 as determined by Google Analytics; and
  - (ii) 50,000,000 Class B Performance Shares will convert into 50,000,000 Shares if the Company achieves \$15,000,000 in EBITDA or the MSM Platform achieves a number of unique registered users of at least 2,000,000 as determined by Google Analytics.
- (b) On the occurrence of a Conversion Event, the allocation of Shares issued will be on a pro rata basis to all Holders.
- (c) The Performance Hurdles must be met on or before the relevant Expiry Date.
- (d) If a Performance Hurdle is not met by the relevant Expiry Date, the relevant Performance Shares held by each Holder will automatically consolidate into one Performance Share and will then convert into one Share for each Holder.
- (e) All Performance Shares on issue shall automatically convert into Shares on a one-for-one basis up to a maximum number that is equal to 10% of the Company's issued capital (as at the date of any of the following events) upon the happening of any of the following events:
  - (i) the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that takeover bid has become unconditional; or
  - (ii) the announcement by the Company that Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either:
    - (A) cancelled; or
    - (B) transferred to a third party; and
    - (C) the Court, by order, approves the proposed scheme of arrangement.
- (f) The Company will ensure the allocation of Shares issued under paragraph 4(e) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Shares and all remaining Performance Shares held by each Holder will automatically consolidate into one Performance Share and will then convert into one Share.

**5. Voting rights**

Each Holder shall have the right to receive notice of and attend but not to vote at any meeting of Shareholders.

**6. Dividends**

The Performance Shares shall not have any right to receive dividends (whether cash or non-cash) from the profits of the Company at any time.

**7. Dealings**

A Holder must not Deal with the Performance Shares.

**8. Access to documents and information**

A Holder has the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders, and a right to attend a meeting of Shareholders.

**9. Other terms and conditions**

- (a) A Holder will not be entitled to a return on capital, whether in a winding up, upon reduction of capital or otherwise.
- (b) A Holder will not be entitled to participate in the surplus profit or assets of the Company upon a winding up.
- (c) There are no participating rights or entitlements inherent in the Performance Shares and Holders will not be entitled to participate in new issues (such as bonus issues) or pro-rata issues of capital to Shareholders.
- (d) The Company will issue each Holder with a new holding statement for Shares issued upon conversion of Performance Shares as soon as practicable following the conversion of Performance Shares.
- (e) The Performance Shares will be unquoted.
- (f) All Shares issued upon conversion will rank equally in all respects with then-issued Shares. The Company must, within the time period required by the Listing Rules, apply to ASX for quotation of the Shares on ASX.
- (g) A Performance Share does not give the Holder any other rights other than those expressly provided by these Terms and those provided at law where such rights cannot be excluded.
- (h) The terms of the Performance Shares may be amended as necessary by the directors of MSC in order to comply with the Listing Rules or any directions of ASX regarding the Terms.

### Schedule 3 - Terms and Conditions of Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) each Option entitles the holder, when exercised, to one (1) Share;
- (b) the Options are exercisable at any time on or before 7 November 2019;
- (c) the exercise price of the Options is \$0.10 each;
- (d) subject to the Corporations Act, the Constitution and the Listing Rules, the Options are fully transferable;
- (e) the Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the Option holder 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 holder's right to exercise the balance of any Options remaining;
- (f) 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;
- (g) all Shares issued upon exercise of the Options will rank pair passus in all respects with the Company's then issued Shares. The Company does not intend to seek quotation of the Options;
- (h) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of Options to Shareholders during the currency of the Options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, Optionholders will be notified of the proposed issue at least 4 Business Days before the record date of any proposed issue. This will give Optionholders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
- (i) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the Options, all rights of the Option holder will be varied in accordance with the Listing Rules; and
- (j) 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.

#### Schedule 4 - MSM Shareholders and Optionholders

MSM Shareholder	MSM Shares	MSM Options	Consideration Shares	Consideration Options	Class A Performance Shares	Class B Performance Shares
Webstar Group International Pty Ltd	21,250,001	6,000,000	22,931,655	6,000,000	15,287,770	15,287,770
Mr Adam Geoffrey Wellisch	9,000,000	6,000,000	9,712,230	6,000,000	6,474,820	6,474,820
Dion Matthew Sullivan	6,500,000	6,000,000	7,014,389	6,000,000	4,676,259	4,676,259
Tranaj Nominees Pty Ltd	6,000,000	-	6,474,820	-	4,316,546	4,316,546
Douglas C. Barry	3,750,000	-	4,046,763	-	2,697,842	2,697,842
South West Investment Holdings Pty Ltd	3,250,000	-	3,507,194	-	2,338,130	2,338,130
Wow Its A Log Pty Ltd	3,250,000	-	3,507,194	-	2,338,130	2,338,130
Blackwall Investments Pty Ltd	4,500,000	-	4,856,115	-	3,237,410	3,237,410
Beretta Nickel Pty Ltd	4,500,000	-	4,856,115	-	3,237,410	3,237,410
Mr Shaun Kevin Bain & Mrs Angelique Jane Bain	5,000,000	-	5,395,683	-	3,597,122	3,597,122
Seamist Enterprises Pty Ltd	2,500,000	-	2,697,842	-	1,798,561	1,798,561
<b>TOTAL</b>	<b>69,500,001</b>	<b>18,000,000</b>	<b>75,000,000</b>	<b>18,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>

### Schedule 5 - MSM Noteholders

MSM Noteholder	MSM Convertible Notes	Amount paid for MSM Convertible Notes (\$)	Noteholder Consideration Securities	
			Shares	Options
Cranport Pty Ltd	300	30,000	937,500	937,500
Kobia Holdings Pty Ltd	250	25,000	781,250	781,250
Blu Bone Pty Ltd	250	25,000	781,250	781,250
Konkera Pty Ltd <Konkera Family A/C>	700	70,000	2,187,500	2,187,500
Mr Daniel Paul Wise <Ark Investments A/C>	125	12,500	390,625	390,625
Upsky Equity Pty Ltd <Upsky Investment A/C>	250	25,000	781,250	781,250
Flue Holdings Pty Ltd	125	12,500	390,625	390,625
Alitime Nominees Pty Ltd <Honeyham Family A/C>	320	32,000	1,000,000	1,000,000
Mr Benjamin Robert Willoughby & Mrs Charmaine Marie Willoughby <The Willoughby Super A/C>	50	5,000	156,250	156,250
Miss Brooke Louise Gablikis	50	5,000	156,250	156,250
Barque Investments Pty Ltd	320	32,000	1,000,000	1,000,000
Mr Rohan Charles Edmondson	200	20,000	625,000	625,000
Ms Pamela Neesham	120	12,000	375,000	375,000

MSM Noteholder	MSM Convertible Notes	Amount paid for MSM Convertible Notes (\$)	Noteholder Consideration Securities	
			Shares	Options
Overland Corner West Pty Ltd <Devaux Family A/C>	100	10000	312,500	312,500
Mr Ariel Edward King	200	20,000	625,000	625,000
Mr David Neesham	124	12,400	387,500	387,500
Richsham Nominees Pty Ltd	456	45,600	1,425,000	1,425,000
Sisu International	500	50,000	1,562,500	1,562,500
Nookamka Holdings Pty Ltd <Superannuation Funds A/C>	100	10,000	312,500	312,500
Rising Fast Holdings Pty Ltd	200	20,000	625,000	625,000
Lonhro (WA) Pty Ltd	200	20,000	625,000	625,000
Ellaz Pty Ltd <The Ripper Family A/C>	100	10,000	312,500	312,500
Alignment Capital Pty Ltd	250	25,000	781,250	781,250
Rockaway Pty Ltd ATF Rockaway S/F A/C	50	5,000	156,250	156,250
Stevsand Holdings Pty Ltd	200	20,000	625,000	625,000
Jaguar Investments Pty Ltd	100	10,000	312,500	312,500
MGL Corp Pty Ltd	380	38,000	1,187,500	1,187,500

MSM Noteholder	MSM Convertible Notes	Amount paid for MSM Convertible Notes (\$)	Noteholder Consideration Securities	
			Shares	Options
Mr Paul Gabriel Sharbanee <The Scorpion Fund A/C>	250	25,000	781,250	781,250
Ellaz Pty Ltd <The Ripper Family A/C>	750	75,000	2,343,750	2,343,750
Mongoose Capital Pty Ltd	100	10,000	312,500	312,500
Peninsula Investments (WA) Pty Ltd	190	19,000	593,750	593,750
Mulato Nominees Pty Ltd	190	19,000	593,750	593,750
Rocco Tassone	500	50,000	1,562,500	1,562,500
<b>TOTAL</b>	<b>8,000</b>	<b>800,000</b>	<b>25,000,000</b>	<b>25,000,000</b>



## Schedule 6 - Pro Forma Statement of Financial Position

	Minerals Corporation 31-Dec-14 Unaudited	Proforma Adjustments			Revised Proforma 31-Dec-14
		Acquisition of Megastar Millionaire	Minimum Subscription		
			\$	\$	\$
<b>Current Assets</b>					
Cash assets	719,504	793,315	3,863,200	(a)	5,376,019
Receivables and prepayments	80,046	0	0		80,046
<b>Total Current Assets</b>	<b>799,550</b>	<b>793,315</b>	<b>3,863,200</b>		<b>5,456,065</b>
<b>Non Current Assets</b>					
Mineral exploration and evaluation expenditure	462,154	0	0		462,154
Property, plant and equipment	355	0	0		355
Intangible Assets	0	105,129	0		105,129
<b>Total Non Current Assets</b>	<b>462,509</b>				<b>462,509</b>
<b>Total Assets</b>	<b>1,262,059</b>	<b>793,315</b>	<b>3,863,200</b>		<b>5,918,574</b>
<b>Current Liabilities</b>					
Trade and other payables	121,897	61,413	0		183,310
<b>Total Current Liabilities</b>	<b>121,897</b>	<b>61,413</b>	<b>0</b>		<b>183,310</b>
<b>Non Current Liabilities</b>					
Loan - Convertible Note Holders	0	800,000	0		800,000
<b>Total Non Current Liabilities</b>	<b>0</b>	<b>800,000</b>	<b>0</b>		<b>800,000</b>
<b>Total Liabilities</b>	<b>121,897</b>	<b>861,413</b>	<b>0</b>		<b>983,310</b>
<b>Net Assets</b>	<b>1,140,162</b>	<b>(68,098)</b>	<b>3,863,200</b>		<b>4,935,264</b>
<b>Equity</b>					
Issued capital	137,809,378	77,091	3,863,200		141,749,669
Reserves	88,917	0	0		88,917
Accumulated losses	(136,758,133)	(40,060)	0		(136,798,193)
<b>Total Equity</b>	<b>1,140,162</b>	<b>37,031</b>	<b>3,863,200</b>		<b>5,040,393</b>

Notes:

- (a) On 30 April 2015 the Company raised \$280,000. The Company anticipates raising a minimum of \$4 million via the Capital Raising (excluding anticipated costs of the offer of \$440,000).

**MINERALS CORPORATION LIMITED**

ACN 002 529 160

**PROXY FORM**

The Company Secretary  
Minerals Corporation Limited

**By post:**  
Office J, Level 2  
1139 Hay Street  
West Perth WA 6005

**By facsimile:**  
(08) 9486 4799

Name of  
Shareholder:

Address of  
Shareholder:

Number of Shares  
entitled to vote:

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

**STEP 1 - APPOINT A PROXY TO VOTE ON YOUR BEHALF**

I/We being Shareholder/s of the Company hereby appoint:

The Chair of the  
Meeting (mark box)

☐

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at Office J, Level 2, 1139 Hay Street, West Perth WA 6005, at 9:30am(Perth time) on Wednesday, 7 October 2015, and at any adjournment or postponement of that Meeting.

**CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intentions on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS**

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Approval to change in nature and scale of activities			
Resolution 2	Approval to issue Consideration Shares			
Resolution 3	Approval of Performance Shares			
Resolution 4	Approval to issue Note holder Consideration Securities			
Resolution 5	Approval to issue Consideration Options			
Resolution 6	Approval to issue Capital Raising Shares			
Resolution 7	Approval of change of Company name			
Resolution 8	Election of Director - Mr Adam Wellisch			
Resolution 9	Election of Director - Mr Dion Sullivan			
Resolution 10	Approval to issue Executive Shares			

		For	Against	Abstain*
Resolution 11	Ratification of prior placement			
Resolution 12	Ratification of prior issue of securities			
Resolution 13	Approval to issue Placement Options			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Authorised signature/s** This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

<sup>1</sup>Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

## PROXY NOTES

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be posted to or received by facsimile transmission at the Perth office of the Company (Office J, Level 2, 1139 Hay Street, West Perth, Western Australia, 6005) or Facsimile (08) 9486 4799 if faxed from within Australia (or +61 8 9486 4799 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the General Meeting (WST).