

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MSM Corporation International Limited

ABN

51 002 529 160

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	<ul style="list-style-type: none"> (i) Fully Paid Ordinary Shares (ii) Unlisted \$0.35 options, vesting 31 July 2017 and expiring 19 September 2018 (iii) Unlisted \$0.40 options, vesting 31 July 2017 and expiring 19 September 2019 (iv) Unlisted \$0.45 options, vesting 31 July 2017 and expiring 19 September 2019
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	<ul style="list-style-type: none"> (i) 781,250 Fully Paid Ordinary Shares (ii) 2,000,000 Unlisted \$0.35 options, vesting 31 July 2017 and expiring 19 September 2018 (iii) 2,000,000 Unlisted \$0.40 options, vesting 31 July 2017 and expiring 19 September 2019 (iv) 2,000,000 Unlisted \$0.45 options, vesting 31 July 2017 and expiring 19 September 2019

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>(i) Fully Paid Ordinary Shares (ii) Unlisted \$0.35 options, vesting 31 July 2017 and expiring 19 September 2018 (iii) Unlisted \$0.40 options, vesting 31 July 2017 and expiring 19 September 2019 (iv) Unlisted \$0.45 options, vesting 31 July 2017 and expiring 19 September 2019</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(i) Yes, the Shares rank equally with the fully paid ordinary shares currently on issue (ii) Upon exercise of the options, the shares will rank equally with the ordinary shares currently on issue (iii) Upon exercise of the options, the shares will rank equally with the ordinary shares currently on issue (iv) Upon exercise of the options, the shares will rank equally with the ordinary shares currently on issue</p>
<p>5 Issue price or consideration</p>	<p>(i) \$0.10 per share (ii) Nil (iii) Nil (iv) Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(i) Shares issued following the exercise of 781,250 unlisted \$0.10 options expiring 7 November 2019 (ii) Option fee issued in lieu of cash for corporate advisory services; (iii) Option fee issued in lieu of cash for corporate advisory services; (iv) Option fee issued in lieu of cash for corporate advisory services;</p>

+ See chapter 19 for defined terms.

<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	N/A
6b The date the security holder resolution under rule 7.1A was passed	N/A
6c Number of +securities issued without security holder approval under rule 7.1	<p>(i) Nil</p> <p>(ii) 2,000,000 Unlisted \$0.35 options, vesting 31 July 2017 and expiring 19 September 2018</p> <p>(iii) 2,000,000 Unlisted \$0.40 options, vesting 31 July 2017 and expiring 19 September 2019</p> <p>(iv) 2,000,000 Unlisted \$0.45 options, vesting 31 July 2017 and expiring 19 September 2019</p>
6d Number of +securities issued with security holder approval under rule 7.1A	N/A
6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f Number of +securities issued under an exception in rule 7.2	<p>(i) 781,250 Fully Paid Ordinary Shares</p> <p>(ii) Nil</p> <p>(iii) Nil</p> <p>(iv) Nil</p>
6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A

+ See chapter 19 for defined terms.

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A																			
7 +Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	13 February 2017																			
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="695 488 995 524">Number</th> <th data-bbox="995 488 1294 524">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 524 995 658">219,101,308</td> <td data-bbox="995 524 1294 658">Fully paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	219,101,308	Fully paid Ordinary Shares															
Number	+Class																			
219,101,308	Fully paid Ordinary Shares																			
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <tbody> <tr> <td data-bbox="695 696 995 824">89,235,836</td> <td data-bbox="995 696 1294 824">Ordinary shares held in escrow until 13 January 2018</td> </tr> <tr> <td data-bbox="695 824 995 952">68,338,933</td> <td data-bbox="995 824 1294 952">Options exercisable at \$0.10 on or before 7 November 2019</td> </tr> <tr> <td data-bbox="695 952 995 1079">900,000</td> <td data-bbox="995 952 1294 1079">Options exercisable at \$0.15 on or before 18 March 2020, vesting 12 May 2018</td> </tr> <tr> <td data-bbox="695 1079 995 1207">757,576</td> <td data-bbox="995 1079 1294 1207">Options exercisable at \$0.30 on or before 30 June 2017</td> </tr> <tr> <td data-bbox="695 1207 995 1335">6,000,000</td> <td data-bbox="995 1207 1294 1335">Options exercisable at \$0.35 on or before 19 September 2018, vesting 19 March 2017</td> </tr> <tr> <td data-bbox="695 1335 995 1462">1,500,000</td> <td data-bbox="995 1335 1294 1462">Options exercisable at \$0.40 on or before 19 September 2019, vesting 19 March 2017</td> </tr> <tr> <td data-bbox="695 1462 995 1590">1,500,000</td> <td data-bbox="995 1462 1294 1590">Options exercisable at \$0.45 on or before 19 September 2019, vesting 19 March 2017</td> </tr> <tr> <td data-bbox="695 1590 995 1718">1,500,000</td> <td data-bbox="995 1590 1294 1718">Options exercisable at \$0.55 on or before 19 September 2019, vesting 19 March 2017</td> </tr> <tr> <td data-bbox="695 1718 995 2036">2,000,000</td> <td data-bbox="995 1718 1294 2036">Options exercisable at \$0.125 on or before 18 March 2020, vesting in various tranches until 26 April 2019</td> </tr> </tbody> </table>	89,235,836	Ordinary shares held in escrow until 13 January 2018	68,338,933	Options exercisable at \$0.10 on or before 7 November 2019	900,000	Options exercisable at \$0.15 on or before 18 March 2020, vesting 12 May 2018	757,576	Options exercisable at \$0.30 on or before 30 June 2017	6,000,000	Options exercisable at \$0.35 on or before 19 September 2018, vesting 19 March 2017	1,500,000	Options exercisable at \$0.40 on or before 19 September 2019, vesting 19 March 2017	1,500,000	Options exercisable at \$0.45 on or before 19 September 2019, vesting 19 March 2017	1,500,000	Options exercisable at \$0.55 on or before 19 September 2019, vesting 19 March 2017	2,000,000	Options exercisable at \$0.125 on or before 18 March 2020, vesting in various tranches until 26 April 2019	
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+ See chapter 19 for defined terms.

7,800,000	Performance rights vesting in various tranches, expiring 29 December 2021
50,000,000	Class A Performance Shares held in escrow until 13 January 2018
50,000,000	Class B Performance Shares held in escrow until 13 January 2018
2,000,000	Options exercisable at \$0.35 on or before 19 September 2018, vesting 31 July 2017
2,000,000	Options exercisable at \$0.40 on or before 19 September 2019, vesting 31 July 2017
2,000,000	Options exercisable at \$0.45 on or before 19 September 2019, vesting 31 July 2017

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) There is currently no dividend policy in place for the Company.

Part 2 - Pro rata issue

11 Is security holder approval required? N/A

12 Is the issue renounceable or non-renounceable? N/A

13 Ratio in which the +securities will be offered N/A

14 +Class of +securities to which the offer relates N/A

15 +Record date to determine entitlements N/A

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? N/A

17 Policy for deciding entitlements in relation to fractions N/A

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A

+ See chapter 19 for defined terms.

- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance? N/A
- 32 How do security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Issue date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought N/A

⁺ See chapter 19 for defined terms.

39 +Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Mark Clements

Company Secretary

15 February 2017

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Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	307,670,477
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	46,150,572
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <ul style="list-style-type: none"> (i) 16 May 2016 Issue of options 900,000 (ii) 29 June 2016 Issue of shares 666,667 (iii) 20 September 2016 Issue of options 4,500,000 (iv) 28 December 2016 Issue of performance rights 1,800,000 (v) 13 February 2017 Issue of options 6,000,000 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	13,866,667
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	46,150,572
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	13,866,667
Total [“A” x 0.15] – “C”	32,283,905 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	307,670,477
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	30,767,048
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“E”	Nil
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	30,767,048
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	30,767,048 Note: this is the remaining placement capacity under rule 7.1A

+ See chapter 19 for defined terms.