



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

SUPPLEMENTARY PROSPECTUS

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

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

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

1. Important information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 21 May 2018 (**Prospectus**), issued by MSM Corporation International Limited (ACN 002 529 160) (**Company**).

This Supplementary Prospectus dated 31 May 2018 was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Unless otherwise indicated, terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at www.msmci.com.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

2. Reasons for Supplementary Prospectus

2.1 Purpose of Supplementary Prospectus

The Prospectus disclosed that:

- (a) the Company has agreed to issue up to 79,000,000 Shares and 19,750,000 free-attaching Quoted Options to the Placement Subscribers (**Committed Placement Securities**) (subject to rounding);
- (b) it is intended that the Committed Placement Securities will be issued to the extent that there is sufficient Shortfall, as part of the Shortfall allocated by the Directors;
- (c) to provide for the circumstance where there is insufficient Shortfall as allocated by the Directors, the Company intends to issue the Committed Placement Securities as an additional placement of securities under the Placement Offer.

Accordingly, a maximum of \$7,070,344 (before costs) may be raised under the Offer (**Maximum Amount**), in the event that the Entitlement Offer is fully subscribed and the Committed Placement Securities are issued in full under the Placement Offer.

This Supplementary Prospectus is issued for the purpose of providing additional disclosure regarding the proposed use of funds and the Company's financial position if the Maximum Amount is raised.

2.2 No investor action required

As the content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors, no action needs to be taken by investors who have already subscribed for Securities under the Prospectus to the date of this Supplementary Prospectus.

3. Amendments to the Prospectus

3.1 Proposed use of funds

Section 1.8 of the Prospectus is deleted and replaced with the following:

"The Company intends to apply the funds raised from the Offers in the 12 months following completion of the Offers as detailed below.

Allocation of funds	Minimum Amount (\$) ¹	Maximum Amount (\$) ²
Product development, enhancement and improvement	900,000	900,000
General business operations ³	700,000	700,000
Business development ⁴	400,000	400,000
Developing potential Token system ⁵	150,000	150,000
Legal, tax and compliance advice ⁶	150,000	150,000
Costs of the Offers ⁷	278,498	502,096
Repayment of loans ⁸	237,934	237,934
Corporate and administrative costs ⁹	500,000	800,000
General working capital and retained funds ¹⁰	356,912	3,732,410
TOTAL	\$3,673,344	\$7,070,344

Notes:

1. Assumes the Committed Placement Securities are issued under the Shortfall Offer in full and that no Securities are issued under the Placement Offer.
2. Assumes that the Entitlement Offer is fully subscribed and that the Committed Placement Securities are issued in full under the Placement Offer.
3. General business operations include, amongst other things, including the running of competitions using the Company's existing platform.
4. Business development expenses include, amongst other things, development of strategic partnerships, new market entries and the business development costs associated in undertaking the MSM-US capital raising.
5. Developing the potential Token system includes costs associated with investigating, planning and obtaining all necessary regulatory approvals to proceed with development of securitised Tokens.
6. Legal, tax and compliance advice includes, amongst other things, advice required in connection with the proposed MSM-US capital raising.
7. Refer to Section 5.12 for details relating to the estimated expenses of the Offers.

8. The Company has entered into a series of loan arrangements pursuant to which an aggregate of \$216,304 of interim loan funding from several parties has been advanced to date, including a loan amount of US\$50,000 advanced by Dion Sullivan, a Director. A flat interest rate of 10% is payable on these loans, which are unsecured. The maturity date for the loans is the earlier of completion of a capital raising by the Company of at least A\$3 million, six months after drawdown or at the lender's request in the event of default. The loans and interest are intended to be repaid from the proceeds of the Offers. The Company may enter into additional interim loan funding arrangements on similar terms to provide working capital funding during the period of the Offers. The Company will provide updates on any such loan arrangements in accordance with its disclosure obligations.
9. Corporate costs includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
10. General working capital includes potential overruns in other allocated budget items as well as additional administrative costs. Retained funds refer to funds not presently intended to be applied to any budget items in the 12 months period following the Offers, and maintained as a cash reserve.

The above is a statement of current intentions. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis."

3.2 Pro-forma consolidated statement of financial position

Section 3.2 of the Prospectus is deleted and replaced with the following:

"Set out on the following page is:

- (a) the reviewed consolidated statement of financial position of the Company as at 31 December 2017 (**Balance Date**); and
- (b) the unaudited significant changes since the Balance Date;
- (c) the unaudited effects of the Offers assuming:
 - (i) a "minimum amount" of \$3,673,344 is raised under the Offers (that is, the Committed Placement Securities are issued under the Shortfall Offer in full and that no Securities are issued under the Placement Offer); and
 - (ii) a "maximum amount" of \$7,070,344 is raised under the Offers (that is, the Committed Placement Securities are issued in full under the Placement Offer); and
- (d) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect Sections 3.2(b) and (c) and the Offers, assuming the Offers are fully subscribed.

The statements of financial position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated form; it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	Reviewed balance Sheet as at 31/12/17 (A\$)	Significant changes since 31/12/17 (A\$)	Effect of Offers (A\$)		Unaudited Pro Forma Balance Sheet Post Significant Changes and Offers (A\$)	
			Minimum Amount	Maximum Amount	Minimum Amount	Maximum Amount
Current Assets						
Cash & cash equivalents	1,432,415	(795,415)	3,673,344	7,070,344	4,310,344	7,707,344
Trade & other receivables	453,609	-	-	-	453,609	453,609
Non Current Assets						
Other receivables	91,071	-	-	-	91,071	91,071
Investments	595,954	-	-	-	595,954	595,954
TOTAL ASSETS	2,573,049	(795,415)	3,673,344	7,070,344	5,450,978	8,847,978
Current Liabilities						
Trade & other payables	1,774,328	-	-	-	1,774,328	1,774,328
Provisions	51,502	237,934	-	-	289,436	289,436
TOTAL LIABILITIES	1,825,830	237,934	-	-	2,063,764	2,063,764
NET ASSETS	747,219	(1,033,349)	3,673,344	7,070,344	3,387,214	6,784,214
EQUITY						
Issued capital	31,160,498	1,720,000	3,673,344	7,070,344	36,553,842	39,950,842
Capital raising costs	(922,009)	(126,300)	-	-	(1,048,309)	(1,048,309)
Other contributed equity	-	-	-	-	-	-
Reserves	6,769,987	-	-	-	6,769,987	6,769,987
Accumulated Losses	(36,261,257)	(2,627,049)	-	-	(38,888,306)	(38,888,306)
TOTAL EQUITY	747,219	(1,033,349)	3,673,344	7,070,344	3,387,214	6,784,214

The pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 31 December 2017 and the completion of the Offers except for:

- (a) the issue of 40,000,000 Shares at \$0.043 each to raise approximately \$1.72 million, under the Placement, over 20 and 21 February 2018;
- (b) the receipt of an aggregate of \$216,304 of interim loan funding from several parties to date including US\$50,000 advanced by Dion Sullivan, a Director. A flat interest rate of 10% is payable on these loans, which are unsecured. The maturity date for the loans is the earlier of completion of a capital raising by the Company of at least A\$3 million, six months after drawdown or at the lender's request in the event of default. The loans and interest are intended to be repaid from the proceeds of the Offers. The Company may enter into additional interim loan funding arrangements on similar terms to provide working capital funding during the period of the Offers. The Company will provide updates on any such loan arrangements in accordance with its disclosure obligations; and
- (c) movements in working capital from transactions incurred in the normal course of business including corporate costs and general working capital."

4. Directors' Authorisation

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

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company.



Mark Clements
Non-Executive Director
31 May 2018