PEPPERMINT INNOVATION LIMITED

(ACN 125 931 964)

Annual Financial Report
for the Year Ended 30 June 2019

Index

Company Directory

ABN 56 125 931 964

Directors

Mr Christopher Kain
Managing Director

Mr Anthony Kain
Executive Director

Mr Mathew Cahill
Non-executive Director

Mr Leigh Ryan
Non-executive Director

Mr Albert Cheok
Non-executive Director

Company Secretary

Mr Anthony Kain

Solicitors

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ASX Code: PIL

Share Registry

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Web: www.computershare.com.au

Auditors

RSM Australia Partners
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2 The Esplanade
Perth WA 6000

Directors' Report

Your Directors submit the financial report of Peppermint Innovation Limited (the Company or Peppermint), and the entities it controlled (the Group), for the year ended 30 June 2019.

1. Directors

The names of directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for the entire financial year unless otherwise stated.

Name, qualifications, independence status and special responsibilities	**Experience**
Mr Anthony Kain (*BJuris, LLB*) *Chairperson* *Executive Director* *Company Secretary* Appointed 4 December 2015	Anthony has over 20 years' experience working in Australian capital markets. He has played a key role in the formation of numerous privately owned and publicly listed companies and has an in-depth understanding of intellectual property and its commercialisation. Anthony also has considerable experience as a director having held managing director roles with Australian Stock Exchange listed companies operating foreign assets. Anthony has held advisory roles in capital raising, joint ventures and mergers and acquisitions through his exposure to a diverse range of international and national development opportunities working with technical teams primarily in the energy, motor vehicle and resources sectors. Listed company directorships in the past 3 years: None
Mr Christopher Kain *(B Comm, MBA)* *Managing Director and CEO* Appointed 4 December 2015	Christopher is a practiced company director with over 17 years' experience in finance and investment markets and is accomplished in identifying business opportunities and executing commercial strategies for the benefit of both stakeholders and investors. Christopher has specific expertise in investment evaluation, public and private capital raising programs, debt funding strategies and, project development and financing. Christopher has held advisory and development roles with institutions such as Barclays Capital and Credit Suisse First Boston in London, National Australia Bank and Macquarie Bank in Australia where he worked across institutional, wholesale and retail investment and financial markets. Listed company directorships in the past 3 years: None
Mr Matthew Cahill *Independent Non-executive Director* Appointed 4 December 2015	Matthew is an accomplished technical director with over 18 years' experience in the Web industry working across a broad range of technologies. He has been involved in roles such as management, strategy, team lead, business analysis, application architecture and development. As technical director at Vivid Group (now Isobar of Dentsu Aegis Network), Matthew has worked with some of Australia's largest brands, including Sunbeam, JB HiFi, Echo Entertainment, Fusion Retail Brands, Coates Hire and many more. Matthew's responsibilities included guiding the technical direction of the company, along with leadership of the large development teams that spanned multiple disciplines and technologies. Listed company directorships in the past 3 years: None

Directors' Report (continued)

Name, qualifications, independence status and special responsibilities	**Experience and special responsibilities**
Leigh Ryan, *(BSc Geology, MAIG)* *Independent Non-executive Director* From 4 December 2015, Former CEO and Managing Director of Chrysalis Resources Limited to 3 December 2015	Leigh is a highly qualified geologist with over 30 years' experience in the exploration and resources industry, specifically in exploration and executive management throughout Australia and Africa. He has been involved in targeting, evaluation, discovery and resource definition of numerous gold and base metal deposits and has successfully negotiated purchase option and joint venture agreements. Leigh was the managing director of Chrysalis Resources Limited prior to the reverse take-over by Peppermint Innovation Limited. Listed company directorships in the past 3 years: - Alchemy Resources 1 January 2017 to present
Albert Cheok, (B.Econ Hons, FCPA) *Independent Non-executive Director* From 29 April 2019	Mr. Cheok is a banker with over 40 years of experience in banking in the Asia-Pacific region, particularly in Australia, Hong Kong and Malaysia. Mr Cheok was with the Reserve Bank of Australia from May 1983 and was the Chief Manager from October 1988 to September 1989. He was formerly the Deputy Commissioner of Banking of Hong Kong and an executive director in charge of Banking Supervision at the Hong Kong Monetary Authority. Mr Cheok was the Chairman of Bangkok Bank Berhad in Malaysia from September 1995 to November 2005. Mr. Cheok is currently a member of the Board of Governors of the Malaysian Institute of Corporate Governance in Malaysia. Mr Cheok's current other directorships in listed companies are: - Chairman, 5G Networks Limited (Australia) - Non-executive independent director, China Aircraft Leasing Group Holdings Limited (Hong Kong) - Chairman, Amplefield Limited (Singapore) - Chairman, Supermax Corporation Berhad (Malaysia) - Chairman, International Standard Resources Holding Limited (Hong Kong) Listed company directorships in the past 3 years: - AcrossAsia Limited (Hong Kong), February 2006 to August 2016 - Hongkong Chinese Limited (Hong Kong), January 2002 to December 2017 - Bowsprit Capital Corporation Limited (Singapore), from May 2006 to April 2017 - Lippo Malls Indonesia Retail Trust Management Limited (Singapore), from July 2010 to September 2017 - Auric Pacific Group Limited (Singapore), from to July 2002 to April 2017 - Adavale Resources Limited, from December 2012 to April 2017

Directors' Report (continued)

Name, qualifications, independence status and special responsibilities	Experience and special responsibilities
Rod Tasker, *(BA BSc Grad Dip Banking and Finance)* Independent Non-executive Director appointed 28 September 2016, retired 30 November 2018	Rod consults in strategic management and innovative solution delivery in the banking and finance industry, especially payment services and electronic banking.

2. Company Secretary

The company secretary is Anthony Kain. Details disclosed in director information.

3. Directors' Meetings

The number of meetings of Directors held during the financial year and the number of meetings attended by each Director was as follows:

Name	Number of meeting eligible to attend	Number of meetings attended
Anthony Kain	3	3
Christopher Kain	3	3
Matthew Cahill	3	3
Leigh Ryan	3	3
Albert Cheok	1	1
Rod Tasker	1	-

4. Principal Activities

The principal activities of the Group during the year were the commercialisation, deployment and further development of the Peppermint Platform, a mobile banking, payments and remittance technology designed for banks, mobile money operators, money transfer and funds remittance companies, payment processors, retailers/merchants, credit card companies and microfinance institutions which the Company is now prosecuting through its own agent network BIZMOTO, as well as third party networks.

It has been another busy year with a number of key milestones achieved. Cash receipts for the last three quarters of the year all showed significant growth while the Company has a continuing strategy to attract network partners, including banking customers and business center franchises to vend BIZMOTO products via API interconnections. In addition to the network partner on-boarding initiatives, the Company projects significant growth in retail basis transactions as the Bizmoto Agent network continues to expand. Currently we have circa 16,000 Filipinos registered with Bizmoto and are working daily on-boarding agents, while also running new agent registration campaigns.

The BIZMOTO brand is emerging and we are firmly focused on the ongoing development and growth across the four fundamental business sectors namely:

Directors' Report (continued)

- Payments;
- Delivery & Logistics;
- E-Commerce; and
- Financial Services;

all utilising the Peppermint technology platform.

The Peppermint Platform is currently operated in the Philippines. Peppermint has a particular focus on the developing world (starting with the Philippines) and on providing an attractive tool to the unbanked and underbanked population to access mobile banking and remit money to and from family and others through a system not tied to a particular bank or telephony company.

No significant change in the nature of these activities occurred during the year.

5. Operating and financial review

Overview for the year

Highlights for the year were:

- Growth in cash receipts up 47.5% for the December 2018 Quarter, 92% for the March 2019 Quarter and 14% for the 30 June 2019 quarter.
- Increases in scale and reach of programs forecast in forward quarters.
- Over 15,000 registered Bizmoto agents.
- BizmoGo delivery riders now deployed in three key regions around metropolitan Manila.
- Over 100 merchants have subscribed for BizmoGo delivery program.
- Ongoing brand and content development of e-commerce site – BizmoTinda.
- Targeted Q3 marketing campaign to build on current momentum.
- Peppermint-developed mobile app launched by Cooperative Health Management Federation (CHMF) providing medical-related information to its 41,000 members.
- Phase 2 of mobile app will introduce a wallet, QR code payments and other member-to-member payment functionalities for CHMF's members.
- Peppermint named one of 50 winning companies in 2019 global 'Inclusive Fintech 50" competition.
- Peppermint progressing roll-out of mobile banking technology and services to BancNet member outsourcing banks.
- $2 million placement secured from PEGG Capital (at 2.5cps), which is expected to be completed in September 2019.
- Micro-business program Bizmoto Delivers commenced the first pilot stage in targeted regions of the Philippines.
- Major social media campaign launched to profile the Bizmoto Delivers program and to secure new BizmoGo riders.
- The largest interbank network of local and offshore banks in the Philippines BancNet teamed up with Peppermint on the provision of mobile banking technology and services.

Directors' Report (continued)

- PEGG Capital committed to increase the placement at 2.5 cps to $2 million in total as an initial equity investment (inclusive of $1.5 million to fill SDUT placement agreement), with capacity to increase this support up to $5 million in total to assist Bizmoto mobile app and agent network rollout, develop micro-finance lending programs and to add products and services to the Bizmoto Platform.
- Albert Cheok (PEGG Capital Limited Chair) appointed Non-Executive Director to Peppermint Board.
- Marketing campaign ongoing to continue to build the Bizmoto agent network.
- TVS MOU signed to start testing the sale and supply of TVS motorcycles to the Bizmoto network and the Filipino public.
- MOU signed with Vleppo to explore potential of BlockChain based functionality to compliment Peppermint's established technology platform.

Bizmoto Operations, Development and Platform Progress:

Peppermint continued to expand its micro-business pilot program, called BizmoGo Delivers, throughout the metropolitan Manila area following its launch in April this year. Last Saturday (27 July), the BizmoGo Delivers program was launched to a group of riders in the eastern city of Antipolo, the third operational area after the southern locale of Cavite (in April) and the northern Novaliches district of Quezon City (in June).

The BizmoGo Delivers program provides registered riders with accreditation and training on how to build their own micro-business combining the Bizmoto mobile app (powered by Peppermint) and a motorcycle, allowing them to deliver various products and services to Filipino people. To the end of June, almost 100 merchants had subscribed to use the BizmoGo Delivers program, offering mobile bill payments, mobile eLoad and money transfers as well as deliveries of food, rice, bottled water, LPG cylinders and other general store merchandise from small businesses.

The fourth pilot area for the BizmoGo Delivers program will be launched on the western periphery of metropolitan Manila in the Manila Bay area soon. At this time, approximately 60 active BizmoGo riders will be delivering services or products to Filipino people utilising the Bizmoto mobile app, earning Peppermint a fee from the rider's wallet upon every delivered product or service.

To the end of June, more than 15,400 agents had registered with Bizmoto with the number of agents downloading and using the mobile app increasing quarter on quarter. Females in their 30s were the predominant demographic signing up as Bizmoto agents during the first quarter of 2019 but that changed to males in their 20s with the introduction of the BizmoGo Delivers program.

BizmoTinda:

Testing of Bizmoto's e-commerce platform "BizmoTinda" – which acts as a portal for sellers to offer a range of products and services – continued throughout the June quarter.

The platform is open to three categories of sellers – i) strategic suppliers with both online and offline selling models; ii) merchants who participate in the BizmoGo delivery programs, and iii) registered Bizmoto agents who wish to sell their product to and through other agents.

Peppermint is securing supply agreements with established brands having been awarded authorised reseller status for Globe and PLDT products – two of the largest telecommunication brands in the Philippines

Early-adopter BizmoGo merchant customers, mainly food establishments, have expressed strong interest listing on BizmoTinda, with future deliveries likely to be accessible through in-app ordering facilities.

Directors' Report (continued)

Collaboration with BancNet on Mobile Banking Solution:

In February, Peppermint announced it was collaborating with BancNet after the Central Bank of Philippines (Bangko Sentral ng Pilipinas (BSP) directed all commercial and rural banks to establish a safe, efficient, affordable and reliable electronic payments system across the county.

BancNet is the Philippines single Automated Teller Machines (ATM) switch operator, connecting the networks of local and offshore banks, and the largest interbank network in the Philippines with 114 members and affiliates. Peppermint has been appointed as the service provider of Mobile Banking Solutions to BancNet Outsourcing Banks, which are rural and thrift banks providing financials loans for rural and agricultural development.

During the June Quarter, Peppermint held project "kick-off" meetings with three Outsourcing Banks, including the Bank of Makati (ranked 8th among the top thrift banks with 19 branches, 24 loan centers, and 13 microfinance-orientated branches); UCPB Savings Bank (ranked 9th among the top thrift banks with 49 branches, 13 lending offices and soon 14 branch lite units) and Partner Rural Bank (Cotabato) (which has been operating for more than 40 years providing countryside agricultural assistance in Mindanao).

Peppermint is also in ongoing discussions with other rural and thrift banks who want to implement their own customized digital mobile banking solutions.

National QR Code for Person-to-Person Payments (P2P) and Person-to-Merchant Payments Transactions (P2M):

BancNet also started discussions with Peppermint during the June quarter about developing a national QR code for Person-to-Person payments (P2P) and person-to-merchant payments transactions (P2M). The P2P is an enhanced version of InstaPay or PESONet, where users can transfer funds by merely scanning a QR code instead of inputting their account details as required under the current InstaPay/PESONet set-up. The P2M will form part of a broader payment stream in the future, which would have a significant impact on pushing cashless payments to merchants.

The Bank of Philippines forecast that the use of national QR codes will raise the share of all e-payments to 20% of all transactions in the Philippines by 2020.

Co-Operative Business Partners Progress – CHMF:

During the quarter, Peppermint formally launched a mobile app that was developed for the Cooperative Health Management Federation (CHMF). The CHMF has 116 member cooperatives and more than 41,000 members across the Philippines, with access to an established network of 447 hospitals and clinics, including diagnostic centers and dental clinics. Its core cooperative is the Cooperative Insurance System of the Philippines, which specialises in providing insurance products to its members.

The first phase of the mobile app allows CHMF's 41,088 members to locate accredited medical centers, make appointments and review all of their medical insurance history online. The second phase will include functionality for a mobile wallet, QR code payments, member to member payments and other transactional capabilities.

CORPORATE:

In late April, PEGG Capital Limited agreed to increase its equity in Peppermint via a $2million placement at a premium of 2.5 cents per share. Furthermore, it offered to make available an additional $3 million in funding to Peppermint over time, increasing PEGG Capital's funding offer to Peppermint to $5million in total.

Directors' Report (continued)

The receipt of PEGG Capital's $2million is imminent with regulatory foreign exchange and banking jurisdictional clearances currently being processed. The Company has been in daily contact with PEGG Capital to complete delivery of the funding which is unanimously recognised as the best outcome for Peppermint's growth objectives and ultimately all of its shareholders.

In the interim Peppermint has drawn down a total of $1,012,500 from a $1.5 million convertible note facility (placed at 2.5cps) with Melbourne-based sophisticated investor, Caason Group, to satisfy ongoing working capital requirements.

In June, Peppermint was named one of the world's 50 "Inclusive" Fintech companies for driving financial inclusion and tailoring services and solutions for unbanked people in the Philippines. As an "Inclusive Fintech 50" company, judges of the global event said Peppermint "demonstrated the power of financial technology to expand access, usage and quality of financial services in advanced and emerging markets.

Shareholder returns

	2019	**2018**	**2017**	**2016**	**2015**
Net loss for the year	(2,142,786)	(1,743,348)	(1,599,598)	(8,797,978)	(400,251)
Earnings per share (cents)	(0.2)	(0.2)	(0.2)	(1.4)	(0.1)
Net (liabilities) / assets	(1,119,645)	(5,103)	539,196	2,129,004	(179,348)
Share price	$0.012	$0.025	$0.009	$0.015	n/a

Investments for future performance

The main expense item for the Company is its human resources, which have continued to focus on the four business focuses that have emerged from the Company's operations and evolution over the last year. They are:

1. Payments and remittance;
2. Delivery & Logistics;
3. E-Commerce; and
4. Financial Services;

all utilising the Peppermint technology platform.

All areas are expected to grow with continued marketing, agent and merchant sign up and product development over the year ahead.

Review of financial condition

The Company had $82k cash at bank as at 30 June 2019 with operations covered by the $1.5mm Caason Convertible Note whilst the major fund raising with PEGG is completed.to allow the Company to continue to execute its growth strategy and operational plans for the coming year.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report, not otherwise disclosed in this report.

Directors' Report (continued)

6. Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

7. Significant events after balance date

Subsequent to reporting date a convertible note with a face value of $365,000 and 7,300,000 free attaching options was issued under a $1,500,000 convertible note facility. See Note 12(b)(i) for details. This drawdown takes the amount drawn on the convertible note facility to $1,012,500.

Apart from the items above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

8. Likely developments

The Group intends to continue to develop its four business divisions via organic growth and strategic acquisitions.

9. Environmental legislation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

10. Directors' interests

As at the date of this report, the interests of the Directors in the Company were:

	Number of fully paid ordinary shares	Number of performance shares
Anthony Kain	93,991,416	26,854,690
Christopher Kain	110,325,322	31,521,521
Matthew Cahill	6,437,768	1,839,362
Leigh Ryan	3,000,000	-
Albert Cheok	12,916,667	-

11. Share options

At the date of this report 60,250,000 unissued shares of the Company were under option.

12,950,000 share options with an exercise price of $0.014 on or before 20 May 2021 were issued during the 2019 year as part of the consideration for convertible notes with a face value of $647,500, 12% coupon and 30 April 2020 expiry.

7,300,000 share options with an exercise price of $0.014 on or before 20 May 2021 were issued subsequent to year end as part of the consideration for convertible notes with a face value of $365,000, 12% coupon and 30 April 2020 expiry.

Directors' Report (continued)

During the 2018 year the following performance options were issued:

Number	Exercise Price	Vesting Condition
10,000,000	$0.03	Options to acquire fully paid ordinary shares at 3 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares exceeds 5 cents.
10,000,000	$0.03	Options to acquire fully paid ordinary shares at 3 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares exceeds 10 cents.
10,000,000	$0.05	Options to acquire fully paid ordinary shares at 5 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares share price exceeds 15 cents.
10,000,000	$0.05	Options to acquire fully paid ordinary shares at 5 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares share price exceeds 20 cents.

Options not exercised by the expiry date will lapse.

No shares were issued as a result of the exercise of options.

The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year the Company has not issued any shares as a result of the exercise of options.

12. Performance shares

No shares were issued as a result of the achievement of performance hurdles.

At the date of this report, 100,000,000 performance shares convert to fully paid ordinary shares on the basis of one (1) performance share into one (1) fully paid ordinary share in the capital of the Company, upon the following milestones being achieved were on issue:

Event/Milestone	Number of Shares
Milestone 1: the Company or its subsidiaries generating cumulative revenue of $15,000,000 from the Mobile Banking Payments Remittance Business (MBPRB) by 20 May 2020	50,000,000
Milestone 2: the Company or its subsidiaries generating cumulative revenue of $50,000,000 from the MBPRB by 20 May 2020	50,000,000
	100,000,000

As at 30 June 2019, none of the milestones of the performance shares had been achieved.

Performance shares do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year the Company has not issued any shares as a result of the achievement of performance hurdles.

Directors' Report (continued)

13. Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors and executive officers against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current Directors of its controlled entities for all liabilities to another person (other than the Company or related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

14. Auditor Independence and Non-Audit Services

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

15. Non-Audit Services

The directors are of the opinion that the services as disclosed in Note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards

16. Proceedings on Behalf of the Company

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial year or at the date of this report.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Peppermint Innovation Limited for the year ended 30 June 2019 I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 August 2019

JAMES KOMNINOS
Partner

Directors' Report (continued)

Remuneration report (audited)

This remuneration report for the financial year ended 30 June 2019 outlines remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and including the executives in the Parent and the Group receiving the highest remuneration.

Individual key management personnel disclosures

Details of KMPs of the Company and Group are set out below:

Key management personnel

(i) Directors

Mr Anthony Kain	Chairman, Executive Director, Company Secretary, appointed 4 December 2015
Mr Christopher Kain	Managing Director, appointed 4 December 2015
Mr Matthew Cahill	Non-Executive Director, appointed 4 December 2015
Mr Leigh Ryan	Non-Executive Director, appointed 4 December 2015
Mr Albert Cheok	Non-Executive Director, appointed 29 April 2019
Mr Rod Tasker	Non-Executive Director, appointed 28 September 2016, retired 30 November 2018

(ii) Executives

None

There have not been any changes to KMP after reporting date and before the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Share-based compensation

E. Option holdings of key management personnel

F. Performance Shares of key management personnel

G. Other transactions and balances with Key Management Personnel

Directors' Report (continued)

Remuneration report (audited) (continued)

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive compensation

Remuneration consists of fixed remuneration and variable remuneration.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

Variable Remuneration

The Group does not currently have a variable component to the remuneration of the board and management, however, the Group intends to introduce a variable remuneration plan in the near future.

Remuneration Reviews

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and all other key management personnel.

The Board of Directors assesses the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Directors' Report (continued)

Remuneration report (audited) (continued)

Non-executive directors receive a fee for being a director of the Company. The compensation of non-executive directors for the year ended 30 June 2019 is detailed below.

The total maximum remuneration of non-executive directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions of each non-executive Director. This amount has been set at an amount not to exceed $300,000 per annum.

In addition, a director may be paid fees or other amounts and non-cash performance incentive such as options, subject to necessary shareholder approval, where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

Directors are also entitled to be reimbursed reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as directors.

Senior Manager and Executive Director remuneration

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Group; and
- ensure total compensation is competitive by market standards.

Compensation consists of the following key elements:

- Fixed Compensation; and
- Variable Compensation.

The proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for each key management person by the Directors.

Fixed Compensation

Objective

Fixed compensation is reviewed annually by the Directors. The process consists of a review of individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

Directors' Report (continued)

Remuneration report (audited) (continued)

Variable Compensation

Objective

The objective of the Variable Compensation is to reward executives in a manner that aligns this element of compensation with the creation of shareholder wealth.

Structure

The Company and Group do not currently have a Variable Compensation plan, however, it is intended that one be established in the near future.

Use of remuneration consultants

The Group did not use the services of remuneration consultants.

Objective of the remuneration committee

The Company did not have a remuneration committee during the year.

Voting and comments made at 2018 Annual General Meeting

All resolutions at the 2018 Annual General Meeting were passed by a show of hands.

Overview of Group performance

The performance of the Group is detailed in the Directors' Report.

There is no link between remuneration and performance.

B. Details of remuneration

Year ended 30 June 2019

Directors	Salary & Fees	Non-monetary benefits (iv)	Post employment benefits	Share-based payments	Total	Performance Related
Mr Anthony Kain	200,000	10,181	19,000	-	229,181	-
Mr Christopher Kain	265,000	13,490	25,175	-	303,665	-
Mr Matthew Cahill (i)	47,419	2,337	2,850	-	52,606	-
Mr Leigh Ryan	30,000	1,527	2,850	-	34,377	-
Mr Albert Cheok (ii)	5,000	255	475	-	5,730	-
Mr Rod Tasker (iii)	20,000	985	1,188	-	22,173	-
Totals	**567,419**	**28,775**	**51,538**	**-**	**647,732**	**-**

Compensation is stated on an accruals basis.

(i) Includes remuneration via Digital Domain Consulting, a business in which he holds a beneficial interest.

(ii) Appointed 29 April 2019

(iii) Includes remuneration via Adapts Pty Ltd, a business in which he holds a beneficial interest. Retired 30 November 2018.

(iv) Comprises of directors and officers' insurance.

Directors' Report (continued)

Remuneration report (audited) (continued)

Year ended 30 June 2018

Directors	Salary & Fees	Non-monetary benefits (iii)	Post employ-ment benefits	Share-based payments	Total	Performance Related
Mr Anthony Kain	200,000	6,972	19,000	-	225,972	-
Mr Christopher Kain	265,000	9,238	25,175	-	299,413	-
Mr Matthew Cahill (i)	65,550	2,178	2,850	-	70,578	-
Mr Leigh Ryan	30,000	1,046	2,850	-	33,896	-
Mr Rod Tasker (ii)	112,500	3,672	2,850	-	119,022	-
Totals	**673,050**	**23,106**	**52,725**	**-**	**748,881**	**-**

Compensation is stated on an accruals basis.

(i) Includes remuneration via Digital Domain Consulting, a business in which he holds a beneficial interest.

(ii) Includes remuneration via Adapts Pty Ltd, a business in which he holds a beneficial interest.

(iii) Comprises of directors and officers' insurance.

C. Service agreements

Agreements with Executives

The Company entered into employment contracts with Christopher Kain (as Chief Executive Officer / Managing Director) and Anthony Kain (as General Counsel and Company Secretary).

The material terms of the employment agreements are as follows:

(a) Remuneration:

i. *Anthony Kain* - $200,000 per annum plus statutory superannuation (currently 9.5%); and

ii. *Christopher Kain* - $265,000 per annum plus statutory superannuation (currently 9.5%).

(b) Annual review: performance reviewed on an annual basis with the possibility of a performance and CPI based remuneration adjustments.

(c) Termination: either party may give the other 12 months' notice, in which the case the Company may make a payment in lieu of notice. In the event of misconduct, the Company may terminate employment without notice.

(d) Standard employment terms and conditions.

Agreements with Non-Executive directors

The Company has entered into a director and consultancy services agreements with Mathew Cahill (together with Digital Data Consulting Pty Ltd, an entity controlled by Mathew Cahill). The material terms of the agreement are as follows:

(a) Director's fees: director's fees at the rate of $30,000 per annum plus superannuation together with:

- an entitlement to fees or other amounts in relation to special duties or service performed outside the scope of ordinary employment as a director; and
- reimbursement for out of pocket expenses incurred as a result of engagement as a director.

Directors' Report (continued)

Remuneration report (audited) (continued)

(b) Consulting fees: consulting fees of $42,000 per annum, adjusted when on holiday.

(c) Termination: Non-Executive Directors may retire at any time and are subject to re-election at the annual general meeting of shareholders in accordance with the Company's policy of at least one third of the Non-Executive Directors being nominated for re-election each year based on the Company's rotation schedule.

The Company has entered into director agreements with Leigh Ryan, Rod Tasker and Albert Cheok. The material terms of the agreement are as follow:

(a) Director's fees: director's fees at the rate of $30,000 per annum plus superannuation together with:

- an entitlement to fees or other amounts in relation to special duties or service performed outside the scope of ordinary employment as a director;
- reimbursement for out of pocket expenses incurred as a result of engagement as a director.

(b) Termination: Non-Executive Directors may retire at any time and are subject to re-election at the annual general meeting of shareholders in accordance with the Company's policy of at least one third of the Non-Executive Directors being nominated for re-election each year based on the Company's rotation schedule.

In addition, the Company paid Adaps IT Pty Ltd (an entity controlled by Rod Tasker) a monthly consulting fee of $7,500 plus GST, adjusted when Mr Tasker was on holiday.

D. Share-based compensation

Compensation shares, options – granted and vested during the financial year

2019 No shares nor options were granted as compensation during the 2019 year.

2018 No shares nor options were granted as compensation during the 2018 year.

E. Performance Shares of key management personnel

30 June 2019	Balance at start of the financial year/ date of appointment	Granted as remuneration	Performance hurdle achieved	Net change other	Balance at the end of financial year / date of retirement
Directors					
Mr Anthony Kain	26,854,690	-	-	-	26,854,690
Mr Christopher Kain	31,521,521	-	-	-	31,521,521
Mr Matthew Cahill	1,839,362	-	-	-	1,839,362
Mr Leigh Ryan	-	-	-	-	-
Mr Albert Cheok	-	-	-	-	-
Mr Rod Tasker	-	-	-	-	-
Totals	**60,215,573**	**-**	**-**	**-**	**60,215,573**

Directors' Report (continued)

Remuneration report (audited) (continued)

F. Share holdings of key management personnel

30 June 2019	Balance at start of the financial year / date of appointment	Granted as remuneration	On exercise of options	Acquisitions /(Disposals)	Balance at the end of financial year / date of retirement
Directors					
Mr Anthony Kain	93,991,416	-	-	-	93,991,416
Mr Christopher Kain	110,325,322	-	-	-	110,325,322
Mr Matthew Cahill	6,437,768	-	-	-	6,437,768
Mr Leigh Ryan	3,000,000	-	-	-	3,000,000
Mr Albert Cheok (i)	12,916,667	-	-	-	12,916,667
Mr Rod Tasker (ii)	1,000,000	-	-	-	1,000,000
Totals	**227,671,173**	**-**	**-**	**-**	**227,671,173**

(i) Appointed 29 April 2019

(ii) Retired 30 November 2018

G. Other transactions and balances with Key Management Personnel

$15,000 was advanced by Fich Pty Ltd, an entity controlled by Mr Christopher Kain, Managing Director of the Company. The loan bears interest of 15% per annum, had a set-up fee of 4% and was repayable on 6 March 2019 and was extended to 30 September 2019. At 30 June 2019 the loan had a value of $17,098 (2018: nil).

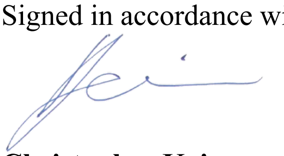
Signifi Media Pty Ltd, and entity controlled by Mr Mathew Cahill, a director of the Company, provided advertising services and office rental of $4,917 (2018: nil) at normal commercial rates.

Unpaid directors' fees, salaries and superannuation totalling $99,887 (2018: nil) have been accrued.

Apart from the above items and reimbursements for expenses paid on behalf of the Company and the Group, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the year ended 30 June 2019 (2018: Nil).

END OF THE REMUNERATION REPORT

Signed in accordance with a resolution of the Directors:



Christopher Kain

Managing Director

Perth, 30 August 2019

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
Revenue	4	681,327	887,981
Cost of sales		(572,001)	(660,937)
Gross profit		109,326	227,044
Other income	4	123	20,454
Administration expenses	4	(2,096,856)	(1,982,753)
Finance costs	4	(99,776)	(93)
Fair value adjustments	12(iii)	28,397	-
Impairment	5(a)	-	(8,000)
Share based payment expense	5(a)	(84,000)	-
(Loss) before income tax		(2,142,786)	(1,743,348)
Income tax expense	6	-	-
(Loss) for the year		(2,142,786)	(1,743,348)
Other comprehensive income / (loss)			
Items that may be reclassified to profit or loss:			
- Nil		-	-
		-	-
Total comprehensive (loss) for the year		(2,142,786)	(1,743,348)
(Loss) for the year attributable to members of the parent entity		(2,142,786)	(1,743,348)
Total comprehensive (loss) for the year attributable to members		(2,142,786)	(1,743,348)
Basic and diluted loss per share (cents per share)	3	(0.2)	(0.2)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	7	82,379	241,793
Trade and other receivables	8	98,050	67,626
Inventory		6,747	2,852
Total Current Assets		187,176	312,271
NON-CURRENT ASSETS			
Intangible assets	9	-	28,229
Plant and equipment		3,200	-
Total Non-Current Assets		3,200	28,229
TOTAL ASSETS		190,376	340,500
CURRENT LIABILITIES			
Trade and other payables	10	445,070	114,534
Provisions	11	103,451	71,069
Funds received in advance of the issue of shares	10	-	160,000
Financial liabilities	12	761,500	-
Total Current Liabilities		1,310,021	345,603
TOTAL LIABILITIES		1,310,021	345,603
NET LIABILITIES		(1,119,645)	(5,103)
EQUITY			
Issued capital	13	13,145,875	12,536,072
Accumulated losses		(14,683,961)	(12,541,175)
Reserves		418,441	-
TOTAL EQUITY		(1,119,645)	(5,103)

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from Operating Activities			
Receipts from customers		687,504	960,997
Payments to suppliers and employees		(2,243,091)	(2,564,146)
Interest received		123	454
Net cash (used in) operating activities	7(b)	(1,555,464)	(1,602,695)
Cash Flows from Investing Activities			
Purchase of plant and equipment		(3,753)	-
Proceeds on the sale of geological data		-	20,000
Net cash (used in) / provided by investing activities		(3,753)	20,000
Cash Flows from Financing Activities			
Issue of shares		640,000	1,300,000
Funds received in advance of the issue of shares		-	160,000
Share issue expenses		(35,197)	(63,951)
Proceeds from borrowings		805,000	-
Loan repayments		(10,000)	-
Net cash provided by financing activities		1,399,803	1,396,049
Net decrease in cash held		(159,414)	(186,646)
Cash at the beginning of the financial year		241,793	428,439
Cash at the end of the financial year	7(a)	82,379	241,793

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Convertible Note Reserve	Share Based Payment Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2018	12,536,072	-	-	(12,541,175)	(5,103)
Loss for the year	-	-	-	(2,142,786)	(2,142,786)
Total comprehensive loss for the year	-	-	-	(2,142,786)	(2,142,786)
Transactions with owners in their capacity as owners					
Shares issued	800,000	-	-	-	800,000
Share issue expenses	(394,197)	-	-	-	(394,197)
Share based payments	204,000	-	284,000	-	488,000
Value of conversion rights on convertible notes	-	134,441	-	-	134,441
Balance at 30 June 2019	**13,145,875**	**134,441**	**284,000**	**(14,683,961)**	**(1,119,645)**

	Issued Capital	Convertible Note Reserve	Share Based Payment Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2017	11,337,023	-	-	(10,797,827)	539,196
Loss for the year	-	-	-	(1,743,348)	(1,743,348)
Total comprehensive loss for the year	-	-	-	(1,743,348)	(1,743,348)
Transactions with owners in their capacity as owners					
Shares issued	1,300,000	-	-	-	1,300,000
Share issue expenses	(108,951)	-	-	-	(108,951)
Share based payments	8,000	-	-	-	8,000
Balance at 30 June 2018	12,536,072	**-**	**-**	(12,541,175)	(5,103)

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Peppermint Innovation Limited (the Company) is an Australian company incorporated on 24 July 2014. On 4 December 2015, the Company listed on the Australian Securities Exchange.

The principal activities of the Group (the Company and its controlled entities) were the development and commercialisation of its mobile banking, payment and remittance platform.

(a) Basis of Preparation

Statement of compliance
The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations, and as appropriate for profit oriented entities.

Accounting Standards include Australian Accounting Standards (AASBs). Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the directors on 30 August 2019.

Basis of measurement
The financial report has also been prepared under the historical cost convention.

Functional and presentation currency
The financial report is presented in Australian dollars, which is the Company's functional currency.

(b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a net loss of $2,142,786 (2018: $1,743,348) and had net cash outflows from operating activities of $1,555,464 (2018: $1,602,695) for the year ended 30 June 2019. As at that date, the Group had net liabilities of $1,119,645 (2018: $5,103).

The Directors believe that there are reasonable grounds to believe that the Group will continue as a going concern, after consideration of the following factors:

- In accordance with the Corporations Act 2001, the Group has plans to raise further working capital through the issue of equity during the financial year end 30 June 2019;
- The Group raised $365,000 from the issue of convertible notes subsequent to year end as disclosed in Note 22;
- The Group has an agreement to issue 80,000,000 shares at 2.5 cents per share to raise $2,000,000 from a sophisticated investor which has advised the funds are expected to be provided to the Group in September 2019; and
- The Group has the ability to scale down its operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Should the Group not achieve the matters set out above, there is a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group is not able to continue as a going concern.

(c) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of adoption
AASB 9 and AASB 15 (which make amendments to AASB 101) were adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption was not material and as such there is no impact to opening retained profits as at 1 July 2018. The change to significant accounting policies and presentation of financial statements have been reflected in this report.

(d) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 and its impact on adoption is not expected to be material.

(e) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(f) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Share-based payment transactions:
The Group measures the cost of equity-settled share-based payments at fair value at the grant date using an option pricing model, taking into account the terms and conditions upon which the instruments were granted. The fair value is determined by a valuation using a Black Scholes or Trinomial Option Pricing Model.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

(h) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Derivatives
A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(k) Intangible assets

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project on a straight line basis.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

Licences

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life on a straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Disposals
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(l) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by reporting date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ('GST') except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Contract liabilities

Contract liabilities are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Group has transferred the goods or services to the customer. The liability is the consolidated entity's obligation to transfer goods or services to a customer from which it has received consideration.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost or fair value. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Borrowing costs cease to be capitalised upon the earlier of extinguishment of the liability or the commencement of commercial production from the qualifying asset.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating long service leave are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Share-based payment transactions

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and consultants are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques
In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

(u) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2. SEGMENT REPORTING

The Group operates predominantly in the mobile banking, payment and remittance industry. For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- mobile banking and payment services, presently operating in the Philippines;
- international remittances, recently established from Australia; and
- corporate and head office.

With the recent establishment of international remittances from Australia, the Group has introduced the above three reportable segments for the first time for the year ended 30 June 2018.

No operating segments have been aggregated to form the above reportable operating segments.

2. SEGMENT REPORTING (continued)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year Ended 30 June 2019	Mobile Banking and Payment Services	International Remittance	Head Office	Total Segments	Adjustments and Eliminations	Consolidated
Revenue						
External customers	681,113	214	-	681,327	-	681,327
Inter-segment	-	-	-	-	-	-
Total revenue	681,113	214	-	681,327	-	681,327
Income/(expenses)						
Depreciation and amortisation	28,229	-	553	28,782	-	28,782
Segment profit	(439,481)	(78,696)	(1,624,609)	(2,142,786)	-	(2,142,786)
Total assets	144,217	9,095	2,072,758	2,226,070	(2,035,694)	190,376
Total liabilities	1,517,224	600,074	1,227,514	3,344,812	(2,034,791)	1,310,021

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Year Ended 30 June 2018	Mobile Banking and Payment Services	International Remittance	Head Office	Total Segments	Adjustments and Eliminations	Consolidated
Revenue						
External customers	887,981	-	-	887,981	-	887,981
Inter-segment	-	-	-	-	-	-
Total revenue	887,981	-	-	887,981	-	887,981
Income/(expenses)						
Depreciation and amortisation	56,458	-	-	56,458	-	56,458
Segment profit	(296,808)	(273,170)	(1,173,370)	(1,743,348)	-	(1,743,348)
Total assets	135,229	24,079	1,758,548	1,917,856	(1,577,356)	340,500
Total liabilities	1,068,755	536,361	331,806	1,936,922	(1,591,319)	345,603

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Inter-segment revenues are eliminated on consolidation.

2. SEGMENT REPORTING (continued)

Sales to customers which represent over 10% of revenue, all within the Mobile Banking and Payment Services segment, were as follow:

	2019	2018
	$	$
Customer 1	295	614,483
Customer 2	519,929	134,973
Customer 3	25,902	102,118

3. LOSS PER SHARE

	2019	2018
	$	$
Basic and diluted loss per share (cents per share)	(0.2)	(0.2)

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Loss for the year	(2,142,786)	(1,743,348)
Weighted average number of shares outstanding during the year used in the calculations of basic loss per share:	981,885,292	921,190,224

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share.

4. RESULT FOR THE YEAR

	2019	2018
	$	$
Revenue from contracts with customers		
Transaction revenue	607,953	766,886
Project revenue	73,374	121,095
	681,327	887,981
Other income		
Proceeds on the sale of assets	-	20,000
Interest income	123	454
	123	20,454

4. RESULT FOR THE YEAR (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Mobile Banking and Payment Services	International Remittance	Total
30 June 2019			
Major product lines			
ELoad sales	591,080	-	591,080
Software development services	73,374	-	73,374
System usage fees and commissions	16,659	214	16,873
	681,113	214	681,327
Timing of revenue recognition			
Goods transferred at a point in time	591,080	-	591,080
Services transferred at a point in time	16,659	214	16,873
Services transferred over time	73,374	-	73,374
	681,113	214	681,327
30 June 2018			
Major product lines			
ELoad sales	660,476	-	660,476
Software development services	120,497	-	120,497
System usage fees and commissions	107,008	-	107,008
	887,981	-	887,981
Timing of revenue recognition			
Goods transferred at a point in time	660,476	-	660,476
Services transferred at a point in time	107,008	-	107,008
Services transferred over time	120,497	-	120,497
	887,981	-	887,981

	2019 $	2018 $
Finance costs		
Notional and accrued interest on convertible notes	94,994	-
Interest on related party loans	2,098	-
Other	2,684	93
	99,776	93

Finance costs includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

4. RESULT FOR THE YEAR (continued)

	2019	2018
	$	$
Administration costs		
Audit fees	37,100	34,500
Bad debts	40,686	-
Consulting fees	374,392	148,255
Depreciation and amortisation	28,782	56,458
Directors' fees and consulting remuneration	615,981	725,775
Employee expenses	493,010	508,988
Insurance	11,660	23,105
Investor relations	70,725	94,629
Legal fees	44,716	9,772
Licence fees and royalties	-	60,000
Rent	50,939	23,934
Share registry fees	13,696	14,077
Start-up expenses	-	33,627
Stock exchange fees	36,469	24,881
Sundry expenses	197,040	143,786
Travel	81,660	80,966
	2,096,856	1,982,753

5. SHARE BASED PAYMENTS

(a) Shares Issued

2019:

6,800,000 shares were issued to a consultant for corporate consultancy services and assistance in raising capital at the fair value of the services received. Corporate consultancy services in the amount of $84,000 were recognised through profit and loss as share-based payment expense. The remaining $120,000 was recognised as share issue expenses within equity for assistance in raising capital.

2018:

1,000,000 shares with a value of $8,000 were issued for a share based payment made on 18 July 2017 pursuant to an equity investment. The fair value was determined by reference to the share price at the grant date, and the asset acquired was subsequently impaired.

(b) Options Issued

2019:

12,950,000 unlisted options with a $0.014 exercise price on or before 20 May 2021 were issued as part of the consideration of convertible notes with a face value of $647,500 (see note 13(b)(i)).

40,000,000 performance options issued in 2018 vested. See Note 5(c) for details.

2018:

Nil.

5. SHARE BASED PAYMENTS (continued)

(c) Performance Options

2019:

40,000,000 performance options issued in 2018 were measured on 28 August 2018.

2018:

40,000,000 performance options were granted to a consultant during the year as follows:

Number	Exercise Price	Condition
10,000,000	$0.03	Options to acquire fully paid ordinary shares at 3 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares exceeds 5 cents.
10,000,000	$0.03	Options to acquire fully paid ordinary shares at 3 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares exceeds 10 cents.
10,000,000	$0.05	Options to acquire fully paid ordinary shares at 5 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares share price exceeds 15 cents.
10,000,000	$0.05	Options to acquire fully paid ordinary shares at 5 cents each expiring on 27 August 2020 which are exercisable after the 30 day volume weighted average price of fully paid ordinary shares share price exceeding 20 cents.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in options and performance options issued as compensation during the year:

	2019 No	2019 Weighted average exercise price	2018 No	2018 Weighted average exercise price
Outstanding at the beginning of the year	40,000,000	$0.040	-	-
Granted during the year	12,950,000	$0.014	40,000,000	$0.04
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	52,950,000	$0.034	40,000,000	$0.04
Exercisable at the end of the year	52,950,000	$0.034	-	-

(d) Valuation of Shares, Options and Performance Options

Shares issued are valued at the value of a share in the Company as traded on ASX at the date of deemed date of grant of the share plan shares.

Options and performance options are valued using a Black-Scholes or Trinomial Option Pricing Model.

The fair value of performance options was recognised as an expense when the performance hurdle was achieved.

The amount recognised as part of employee benefits expense for shares issued during the year was nil (2018: nil).

The amount recognised as part of employee benefits expense for options issued during the year was nil (2018: nil).

5. SHARE BASED PAYMENTS (continued)

The amount recognised as a share issue expense for performance options issued during the year was $284,000 (2018: nil). 40,000,000 performance options were issued to a consultant in 2018 for corporate consultancy services and assistance in raising capital which were valued at the fair value of the services received.

The valuation of the performance options was determined on the measurement date being the date on which the Capital Raising occurred (28 August 2018). The trinomial option valuation model inputs used to determine the fair value at the measurement date are as follows:

Grant Date	Number Issued	Exercise Price (cents)	Assumed Stock Price at Grant Date (cents)	Issue Price (cents)	Interest Rate	Volatility	Value Per Option (cents)	Total Value (dollars)
28/8/18	10,000,000	3	1.8	nil	1.99%	120%	0.90	90,000
28/8/18	10,000,000	3	1.8	nil	1.99%	120%	0.79	79,000
28/8/18	10,000,000	5	1.8	nil	1.99%	120%	0.61	61,000
28/8/18	10,000,000	5	1.8	nil	1.99%	120%	0.54	54,000
Total	**40,000,000**							**284,000**

6. INCOME TAX

(a) Income tax recognised in profit/loss

No income tax is payable by the Company as it recorded a loss for income tax purposes for the period.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2019	**2018**
	$	**$**
Accounting loss before tax	(2,142,786)	(1,743,348)
Income tax benefit at 27.5%	589,266	479,421
Unrecognised tax losses	(589,266)	(479,421)
Income tax expense	-	-

(c) Unrecognised deferred tax balances

	2019	**2018**
	$	**$**
Tax losses at 27.5%	(2,122,794)	(1,546,614)
Deferred tax asset not booked		
Accrued liabilities	(33,766)	(6,298)
Provision for annual leave	(25,944)	(19,544)
Prepayments	4,701	-
Intangible assets	-	(7,763)
Blackhole deductions	(28,109)	(70,233)
Net unrecognised deferred tax assets at 27.5%	(2,205,912)	(1,650,452)

6. INCOME TAX (continued)

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 1(l) is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 1(l) are satisfied.

7. CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank	82,379	241,793
	82,379	241,793

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(a) Reconciliation to the Statement of Cash Flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank.

Cash and cash equivalents as shown in the statement of cash flows are reconciled to the related items in the balance sheet as follows:

	2019	2018
	$	$
Cash and cash equivalents	82,379	241,793

(b) Reconciliation of loss after income tax to net cash flows from operating activities:

	2019	2018
	$	$
Loss for the year	(2,142,786)	(1,743,348)
Non cash-flow items in loss for the year:		
- Interest accrued on convertible notes	97,092	-
- Depreciation / assets written off	28,782	56,458
- Proceeds on the sale of geological data	-	(20,000)
- Share based payment	84,000	-
- Fair value adjustment	(28,397)	-
- Legal fees paid by noteholder	17,500	-
- Impairment	-	8,000
Changes in operating assets and liabilities:		
- (Increase) in trade and other receivables	(15,678)	(1,977)
- (Increase) in inventory	(3,895)	19,955
- Increase in trade and other payables	375,536	32,185
- Increase in provisions	32,382	46,032
Net cash used in operating activities	(1,555,464)	(1,602,695)

8. TRADE AND OTHER RECEIVABLES

	2019	2018
	$	$
Current:		
Trade receivables	42,671	34,494
GST receivable	-	13,166
Prepayments	31,082	-
Advance to supplier	-	19,966
Other	24,297	-
	98,050	67,626

9. INTANGIBLE ASSETS

	2019	2018
	$	$
Opening balance at the beginning of the financial year	28,229	84,687
Additions	-	-
Amortisation for the financial year	(28,229)	(56,458)
Closing balance at the end of the financial year	-	28,229
At cost	169,375	169,375
Accumulated amortisation	(169,375)	(141,146)
Closing balance at the end of the financial year	-	28,229

10. TRADE AND OTHER PAYABLES – current

	2019	2018
	$	$
Sundry payables and accrued expenses	445,070	114,534
Funds received in advance of the issue of shares (i)	-	160,000

(i) The shares were issued during 2019 (see Note 13(a)(i)).

11. PROVISIONS – current

	2019	2018
	$	$
Unused annual leave	103,451	71,069

12. FINANCIAL LIABILITIES

	2019	2018
Current	**$**	**$**
Financial liabilities		
Related party loan (a)	17,098	-
Convertible notes and accrued interest (b)	664,012	-
Derivative liability (b)(iii)	65,644	-
Premium funding (c)	14,746	-
	761,500	-

(a) Related party loan

$15,000 was advanced by Fich Pty Ltd, an entity controlled by Mr Christopher Kain, Managing Director of the Company. The loan bears interest of 15% per annum, had a set-up fee of 4% and was repayable on 6 March 2019 and was extended to 30 September 2019.

(b) Convertible notes

(i) $1,500,000 convertible note facility maturing on 30 April 2020

The convertible notes mature on 30 April 2020, or as the parties otherwise agree in writing, bear 12% interest per annum from the date of receipt of funds unless redeemed or converted earlier, and are convertible into fully paid ordinary shares at 2.5 cps ($0.025).

The convertible notes provide the holder with 20 unlisted options with an exercise price of $0.014 on or before 20 May 2021 for every dollar drawn under the convertible note facility.

The convertible notes are secured by the Company's 100% owned subsidiary Zambian Copper Pty Ltd, which holds the Company's mineral exploration project in Zambia.

The $1,500,000 convertible note facility replaced an earlier facility of $250,000 maturing on 21 December 2019 (see Note 12(b)(ii)) by increasing the convertible note face value to $1,500,000 and extending the maturity date to 30 April 2020.

$647,500 has been drawn under the facility.

The convertible notes have a face value of $647,500, which has been valued and has a carrying amount of $559,412 as at 30 June 2019.

The value of conversion rights on convertible notes of $53,712 was recognised in the convertible note reserve (see note 14) and is amortised as notional interest over the term of the convertible notes.

12,950,000 options were issued as part of the consideration on convertible notes and a value of $80,720 was recognised in the convertible note reserve (see note 15). This value is amortised as notional interest over the term of the convertible notes.

12. FINANCIAL ASSETS AND LIABILITIES (continued)

(ii) Convertible notes maturing on 21 December 2019

Convertible notes maturing on 21 December 2019 bearing 12% interest per annum, from the date of receipt of funds, payable within 5 days of maturity unless redeemed or converted earlier, and convertible into fully paid ordinary shares at $0.025 per share were issued during the year. The Company was entitled to convert all (but not some) of the convertible notes at any time after the first anniversary of the issue of the convertible notes if the VWAP for each of the 30 trading days ending not less than 5 trading days before the date of issue of the Issuer Conversion Notice is at $0.0325.

The convertible notes were secured by the Company's 100% owned subsidiary Zambian Copper Pty Ltd, which holds the Company's mineral exploration project in Zambia.

These convertible notes were replaced and extended by the convertible note facility referred to in Note 12(b)(i).

(iii) Convertible notes maturing on 26 November 2019

Convertible notes maturing on 26 November 2019 bearing 12% interest per annum, from the date of receipt of funds, with quarterly interest payable unless the parties agree otherwise and unless redeemed or converted earlier, and convertible into fully paid ordinary shares at the lower of 1 cent ($0.01) per share and an amount equal to a 20% discount on the VWAP per share for the 10 days immediately preceding the date of the Conversion Notice were issued during the year.

The convertible notes have a face value of $150,000, which has been valued and has a carrying amount of $104,580 and a derivative liability $65,644 of as at 30 June 2019.

The conversion option is not fixed for fixed and it is treated as a financial liability. On inception the value of conversion rights on convertible notes of $94,041 was recognised as a derivative liability which is revalued at each reporting date through fair value adjustment in Statement of Profit and Loss and Other Comprehensive Income. A fair value gain of $28,397 was recognised on the derivative and interest expense of $42,526.

(c) Premium funding

The Company financed an insurance policy premium. The loan is payable over a 10 month period and bears interest of 12% per annum.

(d) Other short-term loan

During the 2019 year an interest free, unsecured short-term loan of $10,000 was provided to the Company and repaid by the Company.

13. ISSUED CAPITAL

	2019	2018
	$	$
Paid up capital – ordinary shares	13,906,513	12,902,513
Capital raising costs	(760,638)	(366,441)
	13,145,875	12,536,072

13. ISSUED CAPITAL (continued)

(a) Ordinary shares

	Number of shares	$
30 June 2019 movements in issued capital:		
Balance at 1 July 2018	953,449,128	12,536,072
Issue of shares – private placements at 3 cents per share (i)	23,333,333	700,000
Issue of shares – private placements at 2.5 cents per share	4,000,000	100,000
Costs relating to issue of shares	-	(394,197)
Share-based payment (ii)	6,800,000	204,000
Balance at 30 June 2019	987,582,461	13,145,875

i. 23,333,333 fully paid ordinary shares were issued at 3 cents per share raising $700,000, inclusive of $160,000 recorded as a current liability at 30 June 2018 (see Note 10).
ii. Issued to a consultant for corporate consultancy services and assistance in raising capital at the fair value of the services received. Corporate consultancy services in the amount of $84,000 were recognised through profit and loss as share-based payment expense. The remaining $120,000 was recognised as share issue expenses within equity for assistance in raising capital.

30 June 2018 movements in issued capital:		
Balance at 1 July 2017	892,449,128	11,337,023
Shares issued	60,000,000	1,300,000
Share issue expenses	-	(108,951)
Share based payment (see note 5)	1,000,000	8,000
Balance at 30 June 2018	953,449,128	12,536,072

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have authorised capital or par value in respect of its shares.

(b) Performance shares

100,000,000 performance shares convert to fully paid ordinary shares on the basis of one (1) performance share into one (1) fully paid ordinary share in the capital of the Company, upon the following milestones being achieved:

Event/Milestone	Number of Shares
Milestone 1: the Company or its subsidiaries generating cumulative revenue of $15,000,000 from the Mobile Banking Payments Remittance Business (MBPRB) by 20 May 2020	50,000,000
Milestone 2: the Company or its subsidiaries generating cumulative revenue of $50,000,000 from the MBPRB by 20 May 2020	50,000,000
	100,000,000

As at 30 June 2019, none of the milestones of the performance shares had been achieved.

13. ISSUED CAPITAL (continued)

(c) Options

The following unlisted options to acquire fully paid ordinary shares were on issue:

Number	Exercise Price	Expiry Date	Exercise Condition
10,000,000	$0.03	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares exceeds 5 cents.
10,000,000	$0.03	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares exceeds 10 cents.
10,000,000	$0.05	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares share price exceeds 15 cents.
10,000,000	$0.05	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares share price exceeding 20 cents.
12,950,000	$0.014	20 May 2021	None
52,950,000			

14. CONVERTIBLE NOTE RESERVE

The convertible note reserve arises from bifurcating the derivatives embedded in the convertible notes (see Note 12(b) for further details). A value of $134,441was recognised, as follows:

- The value of conversion rights on convertible notes of $53,712 was recognised in the convertible note reserve and is amortised as notional interest over the term of the convertible notes.

- 12,950,000 options were issued as part of the consideration on convertible notes and a value of $80,720 was recognised in the convertible note reserve. This value is amortised as notional interest over the term of the convertible notes.

15. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) The Group's related parties are as follows:

(i) Key management personnel (‘KMP’):

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 16: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

15. RELATED PARTIES (continued)

(iii) Other transactions with related parties,

$15,000 was advanced by Fich Pty Ltd, an entity controlled by Mr Christopher Kain, Managing Director of the Company. The loan bears interest of 15% per annum, had a set-up fee of 4% and was repayable on 6 March 2019 and was extended to 30 September 2019. At 30 June 2019 the loan had a value of $17,098 (2018: nil).

Signifi Media Pty Ltd, and entity controlled by Mr Mathew Cahill, a director of the Company, provided advertising services and office rental of $4,917 (2018: nil) at normal commercial rates.

Unpaid directors' fees, salaries and superannuation totalling $99,887 (2018: nil) have been accrued.

Apart from the above items and reimbursements for expenses paid on behalf of the Company and the Group, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the year ended 30 June 2019 (2018: Nil).

(b) Subsidiaries

All controlled entities are included in the consolidated financial statements. The parent entity does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity.

Name	Country of Incorporation	Principal Activity	% Equity interest 2019	% Equity interest 2018
Peppermint Technology Pty Ltd	Australia	Information technology	100%	100%
Peppermint Payments Pty Ltd	Australia	International remittance	100%	100%
Peppermint Technology, Inc	Philippines	Information technology	100%	100%
Zambian Copper Pty Ltd (i)	Australia	Intermediate Holding Company	100%	100%
Horizon Copper Zambia Limited	Zambia	Dormant	100%	100%
Sedgwick Resources Limited (i)	Zambia	Mineral exploration	100%	100%

The Group holds 100% of Sedgwick Resources Limited, a company incorporated in Zambia, which holds mineral exploration tenements and projects and its holding company, Zambian Copper Pty Ltd. The Group has ceased funding these company and all assets were impaired on 4 December 2015.

16. KEY MANAGEMENT PERSONNEL

	2019	2018
	$	$
Remuneration paid:		
Short-term employee benefits	567,419	673,050
Post-employment benefits	51,538	52,725
Share-based payments	-	-
Non-monetary benefits	28,775	23,106
	647,732	748,881

Please see the Remuneration Report for further details.

17. PARENT ENTITY INFORMATION

(a) Information relating to Peppermint Innovation Limited

	2019	2018
	$	$
Current assets	34,768	182,051
Non-current assets	3,200	-
Total assets	37,968	182,051
Current liabilities	(1,227,514)	(331,806)
Non-current liabilities	-	-
Total liabilities	(1,227,514)	(331,806)
(Net liabilities)	(1,189,546)	(149,755)
Issued capital	12,391,595	11,781,792
Accumulated losses	(13,999,582)	(11,931,547)
Reserves	418,441	-
Total shareholders' equity	(1,189,546)	(149,755)
Loss for the parent entity	(2,068,035)	(1,656,908)
Total comprehensive income of the parent entity	(2,068,035)	(1,656,908)

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

(c) Commitments

Commitments of the Company as at reporting date are disclosed in note 18 to the financial statements.

18. COMMITMENTS

(a) Leases as lessee

The Group leases an office. At 30 June, the future minimum lease payments under non-cancellable leases were payable as follows:

	2019	2018
	$	$
Less than 1 year	22,448	1,686
Between 1 and 5 years	1,871	-
More than 5 years	-	-
	24,319	1,686

(b) The Group has agreed to provide funding of up to PHP 5,000,000 ($126,440) to one of its services providers.

Other than the matter noted above, the Group did not have any contractual commitments to capital expenditure not recognised as liabilities at 30 June 2019.

19. CONTINGENT LIABILITIES

The Group holds 100% of Sedgwick Resources Limited, a company incorporated in Zambia, which holds mineral exploration tenements and projects. The Group ceased funding this company and all assets were impaired at the date of the reverse takeover on 4 December 2015.

It is not known if any liabilities will arise from this entity.

20. AUDITORS' REMUNERATION

	2019 $	2018 $
Amounts received or due and receivable by the auditors for:		
- Auditing or reviewing the financial report (RSM Australia Partners)	35,000	34,500
- Auditing of one of the subsidiary companies (Reyes Tacandong & Co)	5,000	-
- Other services	-	-
	40,000	34,500

21. FINANCIAL RISK MANAGEMENT

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

The Group holds the following financial instruments:

	2019 $	2018 $
Financial Assets:		
Cash and cash equivalents	82,379	241,793
Trade and other receivables	42,671	47,660
	125,050	289,453
Financial Liabilities:		
Financial liabilities at amortised cost:		
- Trade and other payables	445,070	114,534
- Convertible notes and loans	761,500	-
	1,206,570	114,534

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Mitigation strategies for specific risks faced are described below.

21. FINANCIAL RISK MANAGEMENT (continued)

Specific financial risk exposures and management

The main risk the Group is exposed to through its financial instruments are interest rate risk, credit risk, liquidity and foreign currency risk.

Interest rate risk

The Group is not exposed to any material interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group does not have any material credit risk exposure to any single receivable under financial instruments entered into by the Group.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as and when they fall due.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for liabilities as well as cash outflows for day-to-day operations.

The Group's liabilities have contractual maturities which are summarised below:

	Within 1 year		1 to 5 years		Total	
	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Trade and other payables	445,070	114,534	-	-	445,070	114,534
Convertible notes and loans	761,500	-	-	-	761,500	-
Total	1,206,570	114,534	-	-	1,206,570	114,534

Foreign currency risk

The Group earns revenues and incurs expenses in Philippines Pesos (PHP). As such, the Group is subject to foreign exchange risk arising from fluctuations between the PHP and AUD.

At 30 June 2019, the Group had the following exposure to PHP foreign currency expressed in A$ equivalents, which are not designated as cash flow hedges:

21. FINANCIAL RISK MANAGEMENT (continued)

	2019	2018
	$	$
Financial Assets		
Cash and cash equivalents	59,952	68,614
Trade and other receivables	76,488	34,494
Inventory	6,747	2,852
	143,187	105,960
Financial Liabilities:		
Trade and other payables	81,352	5,683
	81,352	5,683

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital and retained earnings as disclosed in Note 13.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

Sensitivity analysis

The sensitivity effect of possible interest rate and foreign exchange rate movements have not been disclosed as they are not material.

Fair value of financial instruments

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

22. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to reporting date a convertible note with a face value of $365,000 and 7,300,000 free attaching options was issued under a $1,500,000 convertible note facility. See Note 12(b)(i) for details. This drawdown takes the amount drawn on the convertible note facility to $1,012,500.

Apart from the item above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Christopher Kain
Managing Director

30 August 2019

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INDEPENDENT AUDITOR'S REPORT
To the Members of PEPPERMINT INNOVATION LIMITED

Disclaimer of Opinion

We were engaged to audit the financial report of Peppermint Innovation Limited (the Company) and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer of Opinion

Going Concern

We draw attention to Note 1 in the financial statements, which indicates the Group incurred a net loss of $2,142,786 and had net cash outflows from operating activities of $1,555,464 for the year ended 30 June 2019. As of that date, the Group had net liabilities of $1,119,645. The ability of the Group to continue as a going concern is contingent on a number of future events, the most significant of which is the ability of the Group to obtain additional funding to continue its activities and to pay its debts as and when they fall due. We have been unable to obtain sufficient appropriate evidence as to whether the Group will be able to obtain such funding. As a result, we have been unable to determine whether the going concern basis of preparation is appropriate, and therefore whether the assets and liabilities of the Group can be realised at the amounts stated in the financial report.

Carrying Amount of Liabilities

As at 30 June 2019, the Group includes two controlled entities, Horizon Copper Zambia Limited and Sedgwick Resources Limited, in the Republic of Zambia, which had combined total assets of $Nil and total liabilities of $Nil. We were unable to obtain sufficient appropriate evidence about the completeness of liabilities and contingences within those two controlled entities because the directors of the company have been unable to obtain audited financial statements for the year ended 30 June 2019. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of the *Corporations Act 2001* and the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Peppermint Innovation Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 August 2019

JAMES KOMNINOS
Partner

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2019.

(A) DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

987,582,463 fully paid ordinary shares are held by 1,095 individual shareholders

All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of security holders by size of holding are:

			Fully paid ordinary shares
1	–	1,000	22
1,001	–	5,000	46
5,001	–	10,000	49
10,001	–	100,000	510
100,001		and over	468
			1,095
Holding less than a marketable parcel			342

(B) SUBSTANTIAL SHAREHOLDERS

Ordinary shareholders	Number	Percentage
CHRISTOPHER KAIN	110,325,322	11.17
ANTHONY KAIN	93,991,416	9.50
EAGLE BRILLIANT HOLDINGS LTD	57,247,355	5.80
LEGAL TOOLBOX PTY LTD <SMIDGE DIGITAL UNIT A/C>	50,000,000	5.08
	311,564,093	**31.55**

ASX ADDITIONAL INFORMATION (continued)

(C) TWENTY LARGEST SECURITY HOLDERS

Fully paid ordinary shares

Rank	Name	Units	% of Units
1.	OHKA PTY LTD	107,250,214	10.86
2.	CICAK PTY LTD	88,566,309	8.97
3.	EAGLE BRILLIANT HOLDINGS LTD	57,247,355	5.80
4.	LEGAL TOOLBOX PTY LTD <SMIDGE DIGITAL UNIT A/C>	50,000,000	5.06
5.	MR ADRIAN STEPHEN PAUL + MRS NOELENE FAYE PAUL <ZME SUPERANNUATION FUND A/C>	24,866,856	2.52
6.	CASADA HOLDINGS PTY LTD <C A ASTILL INVESTMENT A/C>	24,822,728	2.51
7.	JUNEDAY PTY LTD	18,124,053	1.84
8.	TIMRIKI PTY LTD	15,000,000	1.52
9.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	13,722,702	1.39
10.	TIMRIKI PTY LTD <TIMRIKI A/C>	11,992,890	1.21
11.	MR ROBERT ANTHONY ANGLEY + MS SUSAN JANE ARTHUR <VERTEX DESIGN SUPER FUND A/C>	11,250,019	1.14
12.	ROGUE INVESTMENTS PTY LTD	10,500,000	1.06
13.	PADSTOCK LIMITED	10,000,000	1.01
14.	MR ADRIAN PAUL + MS NOELENE PAUL <ZME SUPERANNUATION FUND A/C>	10,000,000	1.01
15.	SUNSHORE HOLDINGS PTY LTD	9,892,422	1.00
16.	MR ADRIAN STEPHEN PAUL	9,450,004	0.96
17.	PEGG TWO PTY LTD <PEGG TWO UNIT A/C>	9,050,000	0.92
18.	MR MICHAEL RYAN	8,487,768	0.86
19.	ICE COLD INVESTMENTS PTY LTD <G & J BROWN SUPER FUND A/C>	8,100,000	0.82
20.	ANDKER PTY LTD <THE JIREH SUPER FUND A/C>	7,500,000	0.76
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**505,823,320**	**51.22**
Total Remaining Holders Balance		**481,759,143**	**48.78**

(D) HOLDERS OF OVER 20% OF UNLISTED SECURITIES

	Number	Percentage
Options with exercise conditions		
LEGAL TOOLBOX PTY LTD <SMIDGE DIGITAL UNIT A/C>	40,000,000	100%
Options exercisable at $0.014 on or before 20 May 2012		
CAASON INVESTMENTS PTY LTD	12,950,000	100%
Performance Shares		
OHKA PTY LTD	30,785,776	30.79
CICAK PTY LTD	26,118,945	26.12
HOLDERS OF LESS THAN 20% EACH	43,095,279	43.09
	100,000,000	**100.00**

ASX ADDITIONAL INFORMATION (continued)

(E) CURRENT ON-MARKET BUYBACKS

The Company does not have a current on-market buyback of its shares.