

**PEPPERMINT INNOVATION LIMITED
AND CONTROLLED ENTITY
ACN 600 876 024**

**FINANCIAL REPORT
FOR THE FINANCIAL PERIOD FROM 24 JULY 2014 (DATE OF
INCORPORATION) TO 30 JUNE 2015**

**PEPPERMINT INNOVATION LTD
ACN 600 876 024
AND CONTROLLED ENTITY**

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entity for the financial period from 24 July 2014 (date of incorporation) to 30 June 2015.

Directors

The names of directors in office at any time during or since the end of the financial period are:

Anthony Kain (appointed on 24 July 2014)

Christopher Kain (appointed on 24 July 2014)

Matthew Cahill (appointed on 24 July 2014)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial period:

Anthony Kain (appointed on 24 July 2014)

Principal Activities

The principal activities of the consolidated entity during the financial period were the development and commercialisation of its mobile banking, payment and remittance platform. There were no significant changes in the nature of the consolidated entity's principal activities during the financial period.

The Operating Results and Review of Operations

The loss of the consolidated entity for the period ended 30 June 2015 after providing for income tax amounted to \$399,420.

Dividends Paid or Recommended

No dividends were paid during the financial period.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the company or the consolidated entity, which occurred during the financial period not otherwise disclosed in this report.

**PEPPERMINT INNOVATION LTD
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DIRECTORS' REPORT

Events Subsequent to Period End

On 21 May 2015, Chrysalis Resources Limited (ASX: CYS) announced that it had executed a binding term sheet with Peppermint Innovation Limited, and Peppermint's shareholders for the option to acquire 100% of the issued capital of Peppermint.

Since the end of the financial period Chrysalis Resources Limited completed due diligence on Peppermint Innovation Limited, including technical investigations, legal analysis and accounting, sufficient enough for the Board to make an investment decision, and on 22 July 2015, the Chrysalis Resources Limited announced that the commercial terms of the Term Sheet had been amended to remove the requirement of a share capital consolidation and the transaction timetable, and that the Company had exercised the Option.

Pursuant to the exercise of the Option, the Chrysalis Resources Limited will seek to acquire all of the issued shares in Peppermint Innovation Limited in consideration for the issue of Shares and Performance Shares to the Vendors.

Chrysalis Resources Limited intends to conduct a capital raising to raise a minimum of \$3,500,000 (before expenses of the offer) to fund the operations of the Peppermint Innovation Limited. The capital raising will be conducted under a prospectus as part of its re-compliance with Chapters 1 and 2 of the Listing Rules.

DJ Carmichael Pty Ltd have been appointed as Corporate Advisors and Lead Manager for Chrysalis Resources Limited to assist in raising the required minimum capital amount of \$3.5 million.

Notice has been given that a General Meeting of Shareholders of Chrysalis Resources Limited will be held on the 2 October 2015 to consider and, if thought fit, to pass, with or without amendment, the ordinary resolutions to support the acquisition of Peppermint Innovation Limited pursuant to the binding term sheet executed.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments and Expected Results of Operations

The company and the consolidated entity will continue with existing operations in Australia and the Philippines. Further information regarding likely developments in its operations and the results from those operations in future financial years have not been included because, in the opinion of the directors, its disclosure would prejudice the interests of the consolidated entity.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the period.

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DIRECTORS' REPORT

Environmental Issues

The consolidated entity's activities are subject to relevant environmental protection legislation (Commonwealth and State) at the location of each operation. No fines were imposed and no prosecutions were instituted by a regulatory body during the year.

Information on Directors

Managing Director

Christopher Kain (B Comm, MBA)

Christopher is a practised company director with over 15 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.

Executive Director

Anthony Kain (BJuris, LLB)

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 and has 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.

Non-Executive Director

Matthew Cahill

Matthew is an accomplished technical director with over 16 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.

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DIRECTORS' REPORT

Meetings of Directors

During the financial period, two board meetings were held, while on-going operational meetings of directors were held on a fortnightly basis and meetings of the executive are held regularly. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Anthony Kain	2	2
Christopher Kain	2	2
Matthew Cahill	2	2

Shares under option

No options over unissued shares or interests in the company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2015 and up to the date of this report.

Indemnification of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out within the financial statements.

Signed in accordance with a resolution of the Board of Directors.



Christopher Kain
Director

1st October 2015
Perth

**PEPPERMINT INNOVATION LTD
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	Note	Consolidated
		2015
		\$
Revenue		31,137
Cost of sales		(20,169)
Gross profit		<u>10,968</u>
Other income		21
Administration		(402,687)
Finance costs		(7,722)
Loss before income tax expense		<u>(399,420)</u>
Income tax expense		-
Loss after income tax expense		<u>(399,420)</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to operating results</i>		
Foreign currency translation		(831)
Other comprehensive income, net of tax		<u>(831)</u>
Total comprehensive income for the period		<u>(400,251)</u>
Total comprehensive income attributable to:		
Members of the parent entity		<u>(400,251)</u>

The accompanying notes form part of these financial statements

**PEPPERMINT INNOVATION LTD
ACN 600 876 024
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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	Consolidated 2015 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3	155,666
Other current assets	4	26,532
TOTAL CURRENT ASSETS		182,198
NON-CURRENT ASSETS		
Plant and equipment	6	1,594
Intangible assets	7	169,375
TOTAL NON-CURRENT ASSETS		170,969
TOTAL ASSETS		353,167
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	8	25,319
TOTAL CURRENT LIABILITIES		25,319
NON-CURRENT LIABILITIES		
Interest bearing liabilities	9	507,196
TOTAL NON-CURRENT LIABILITIES		507,196
TOTAL LIABILITIES		532,515
NET LIABILITIES		(179,348)
EQUITY		
Issued capital	10	220,903
Foreign translation reserve		(831)
Accumulated losses		(399,420)
TOTAL EQUITY		(179,348)

The accompanying notes form part of these financial statements

**PEPPERMINT INNOVATION LTD
ACN 600 876 024
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**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2015**

	Issued Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 24 July 2014 (Date of incorporation)				
Loss for the period	-	-	(399,420)	(399,420)
Other comprehensive income	-	(831)	-	(831)
Total comprehensive income	-	(831)	(399,420)	(400,251)
Transactions with owners in their capacity as owners				
Capital contribution	220,903	-	-	220,903
Balance at 30 June 2015	220,903	(831)	(399,420)	(179,348)

The accompanying notes form part of these financial statements

**PEPPERMINT INNOVATION LTD
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**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	Note	Consolidated
		2015
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		31,137
Payments to suppliers and employees		(424,887)
Interest received		21
Finance costs paid		(526)
Net cash used in operating activities	13	(394,255)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for intangible assets		(169,375)
Purchase of plant and equipment		(1,607)
Net cash used in investing activities		(170,982)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		500,000
Capital contribution		220,903
Net cash provided by financing activities		720,903
Net increase in cash held		155,666
Cash at beginning of the financial period		-
Cash at end of the financial period	3	155,666

The accompanying notes form part of these financial statements

PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Note 1: Statement of Significant Accounting Policies (cont'd)

These financial statements include the consolidated financial statements and notes of Peppermint Innovation Limited and controlled entities ('the consolidated entity').

Basis of Preparation

The directors have prepared the financial statements on the basis that the consolidated entity is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 30 September 2015 by the directors of the consolidated entity.

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 discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity and the company incurred net losses of \$399,420 and \$410,157 respectively and had net cash outflows from operating activities of \$394,255 for the period ended 30 June 2015. As at that date, the consolidated entity and the company had net liabilities of \$179,348 and \$189,254 respectively.

The directors believe that there are reasonable grounds to believe that the company and consolidated entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of these financial statements after consideration of the fact the consolidated entity is entering into a restructuring arrangement. The consolidated entity and the company will be acquired by Chrysalis Resources Limited ("Chrysalis") subject to Chrysalis' shareholder approval and successful capital raising to raise a minimum of \$3.5 million to enable Chrysalis to be re-admitted onto the Australian Securities Exchange. The funds from capital raising will be used mainly to expand the consolidated entity's and the company's existing subscriber base and to provide working capital.

The company's and consolidated entity's ability to continue as going concerns is mainly dependent on Chrysalis' shareholders approving the acquisition of the company and consolidated entity and the successful capital raising by Chrysalis of a minimum \$3.5 million to enable it to be re-admitted onto the Australian Securities Exchange. Should the company and consolidated entity not achieve the factors set out above, there is significant uncertainty as to whether the company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their 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 company and consolidated entity do not continue as going concerns.

**PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Note 1: Statement of Significant Accounting Policies (cont'd)

a Principles of consolidation

A controlled entity is any entity over which Peppermint Innovation Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the period then ended. Where controlled entities have entered (left) the consolidated entity during the period, their operating results have been included (excluded) from the date control was obtained (ceased). All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b. Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the statement of comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the statement of comprehensive income when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

c. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Note 1: Statement of Significant Accounting Policies (cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a diminishing value basis so as to write off the net costs of each asset over the expected useful life except for computer hardware and software which is calculated on a straight line basis. Assets are depreciated from the date of acquisition.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computer equipment	33%

d Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the amount of an asset is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

e. Employee Benefits

Wages, salaries, annual leave

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Related on-costs have also been included in the liability.

PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Note 1: Statement of Significant Accounting Policies (cont'd)

f. Revenue and Other Income

Revenue from sale of goods is recognised upon the delivery of goods to customers. Revenue from rendering of services is recognised when the services are rendered. Other revenue is recognised when the right to receive the revenue has been established.

Interest revenue is recognised as interest accrues using the effective interest method.

g. Intangibles

Research and development costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

An intangible asset arising from development is recognised if, and only if, all of the following are demonstrated:

- a. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b. The intention to complete the intangible asset or use or sell it;
- c. The ability to use or sell the intangible asset;
- d. How the intangible asset will generate probable future economic benefits;
- e. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f. The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs capitalised are assessed annually for impairment.

h. Receivables

Receivables are recognised and are carried at original invoice amount less any provision for uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. The provision for uncollectible amounts (doubtful debts) is raised when collectability is no longer probable. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

i. Payables

Payables are recognised when the company becomes obliged to make future payments as a result of a purchase of goods or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

k. Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

Note 1: Statement of Significant Accounting Policies (cont'd)

i. Comparative Figures

There were no comparatives as the consolidated entity was incorporated on 24 July 2014.

m. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Impairment of intangible assets

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to an impairment. Where an indicator of impairment exists, the recoverable amount of the asset is determined. The future recoverability of the intangible asset is dependent on a number of factors, including the successful commercialisation and development of the company's Mobile Banking, Payments and Remittance Platform in the Philippines.

n. New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be 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. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

	Consolidated 2015 \$
Note 3: Cash and Cash Equivalents	
Cash at bank	155,666
	155,666

Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	155,666
	155,666

NOTE 4: OTHER ASSETTS

CURRENT

GST receivable	24,290
Advances to employees	1,034
Deposit	1,095
Prepayments	113
	26,532

NOTE 5: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)
		2015
Peppermint Technology Inc.	Philippines	100

**PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

	Consolidated 2015 \$
NOTE 6: PLANT AND EQUIPMENT	
Computer equipment at cost	1,607
Less accumulated depreciation	(13)
Total plant and equipment	<u>1,594</u>
NOTE 7: INTANGIBLE ASSETS	
<i>Development expenditure</i>	
Cost	<u>169,375</u>
	<u>169,375</u>
NOTE 8: PAYABLES	
CURRENT	
Sundry payables and accrued expenses	<u>25,319</u>
	<u>25,319</u>
NOTE 9: INTEREST BEARING LIABILITIES	
CURRENT	
Loans - unsecured	500,000
Accrued interest	<u>7,196</u>
	<u>507,196</u>

**PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated 2015 \$
NOTE 10: ISSUED CAPITAL	
11,650,000 fully paid ordinary shares	220,903
	No.
a. Ordinary shares	
At the beginning of the period	-
Shares issued during the period	11,650,000
At the end of the period	11,650,000

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid up on shares held.

Note 11: CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable — minimum lease payments

— not later than 12 months	5,202
	5,202

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and contingent assets at reporting date.

**PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

	Note	Consolidated 2015 \$
NOTE 13: CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with loss after income tax		
Loss after income tax		(399,420)
Non-cash flows		
Depreciation		13
Finance costs		7,196
Movements in assets and liabilities		
(Increase) in other assets		(26,532)
Increase in payables and accruals		24,488
Net cash used in operating activities		<u>(394,255)</u>
Note 14: AUDITOR'S REMUNERATION		
Audit of the financial report		<u>4,000</u>
		<u>4,000</u>

**PEPPERMINT INNOVATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

NOTE 15: PARENT ENTITY DISCLOSURES

	2015
	\$
STATEMENT OF FINANCIAL POSITION	
Current Assets	170,100
Non-Current Assets	171,872
TOTAL ASSETS	<u>341,972</u>
Current Liabilities	24,030
Non-Current Liabilities	507,196
TOTAL LIABILITIES	<u>531,226</u>
EQUITY	
Issued capital	220,903
Accumulated losses	(410,157)
TOTAL EQUITY	<u>(189,254)</u>
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Loss for the year	(410,157)
Total comprehensive income	<u>(410,157)</u>

(a) Contingent Liabilities

The parent entity has no contingent liabilities as at 30 June 2015.

(b) Commitments

The parent entity has no capital expenditure commitments as at 30 June 2015.

PEPPERMINT INNOVATION LTD
ACN 600 876 024
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

NOTE 16: EVENTS AFTER THE REPORTING DATE

On 21 May 2015, Chrysalis Resources Limited (ASX: CYS) announced that it had executed a binding term sheet with Peppermint Innovation Limited, and Peppermint's shareholders for the option to acquire 100% of the issued capital of Peppermint.

Since the end of the financial period Chrysalis Resources Limited completed due diligence on Peppermint Innovation Limited, including technical investigations, legal analysis and accounting, sufficient enough for the Board to make an investment decision, and on 22 July 2015, the Chrysalis Resources Limited announced that the commercial terms of the Term Sheet had been amended to remove the requirement of a share capital consolidation and the transaction timetable, and that the Company had exercised the Option.

Pursuant to the exercise of the Option, the Chrysalis Resources Limited will seek to acquire all of the issued shares in Peppermint Innovation Limited in consideration for the issue of Shares and Performance Shares to the Vendors.

Chrysalis Resources Limited intends to conduct a capital raising to raise a minimum of \$3,500,000 (before expenses of the offer) to fund the operations of the Peppermint Innovation Limited. The capital raising will be conducted under a prospectus as part of its re-compliance with Chapters 1 and 2 of the Listing Rules.

DJ Carmichael Pty Ltd have been appointed as Corporate Advisors and Lead Manager for Chrysalis Resources Limited to assist in raising the required minimum capital amount of \$3.5 million.

Notice has been given that a General Meeting of Shareholders of Chrysalis Resources Limited will be held on the 2 October 2015 to consider and, if thought fit, to pass, with or without amendment, the ordinary resolutions to support the acquisition of Peppermint Innovation Limited pursuant to the binding term sheet executed.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 17: COMPANY DETAILS

The registered office and principal place of business of the company is:

41 Harborne Street
Wembley WA 6014

PEPPERMINT INNOVATION LTD
ACN 600 876 024
AND CONTROLLED ENTITY

DIRECTORS' DECLARATION

In the directors' opinion:

- the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Peppermint Innovation Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 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.

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
Director

1st October 2015
Perth

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PEPPERMINT INNOVATION LIMITED

We have audited the accompanying financial report, being a special purpose financial report, of Peppermint Innovation Limited, which comprises the statement of financial position as at 30 June 2015 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 24 July 2014 to 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peppermint Innovation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Peppermint Innovation Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the period from 24 July 2014 to 30 June 2015; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Emphasis of Matter

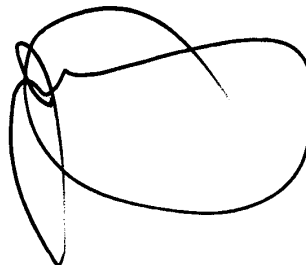
Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity and the company incurred net losses of \$399,420 and \$410,157 respectively and had net cash outflows from operating activities of \$394,255 for the period ended 30 June 2015. As at that date, the consolidated entity and the company had net liabilities of \$179,348 and \$189,254 and respectively. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Basis of Accounting

Without further modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J A KOMINOS
Partner

Perth, WA
Dated: 1 October 2015

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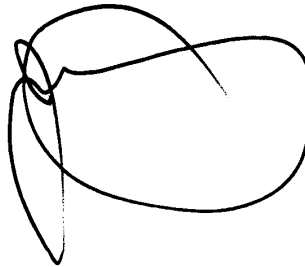
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Peppermint Innovation Limited for the period ended 30 June 2015, 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 Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J A KOMNINOS
Partner

Perth, WA
Dated: 1 October 2015