

25 February 2021

ASX ANNOUNCEMENT

Company Announcements Office
Australian Securities Exchange Limited

UPDATE ON OPTIONS AND CONVERTIBLE NOTES

Peppermint Innovation Limited (the Company) is pleased to advise that following reinstatement to the Official List of the Australian Securities Exchange Limited (ASX) that it has received enquiries from holders of convertible notes and options wishing to convert their holdings to ordinary shares.

As the Company's shares have been suspended from trading on the ASX for more than 5 days out of the last 12 months, the Company is required to lodge a cleansing prospectus to enable secondary trading of new shares issued pursuant to the conversion of convertible notes or the exercise of options. This cleansing prospectus is attached and will remain open until its Closing Date - 31 March 2021.

Anthony Kain
Chairman & Company Secretary

Ends



Peppermint Innovation Limited ACN 125 931 964 ASX: PIL

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Mr Anthony Kain
Chairman
25 February 2021

PEPPERMINT INNOVATION LIMITED
ACN 125 931 964

PROSPECTUS

For an offer of 2,000 Shares at an issue price of \$0.01 per Share to raise \$20 (before expenses).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Christopher Kain
Managing Director

Anthony Kain
Executive Director

Matthew Cahill
Non-executive Director

Company Secretary

Anthony Kain

Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000

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Registered Office

Level 2 East
The Wentworth Building
300 Murray Street
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ASX Code

PIL

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4
The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

RSM Australia Partners
Level 32
2 The Esplanade
PERTH WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	25 February 2021
Opening Date	25 February 2021
Closing Date*	5:00pm WST on 31 March 2021

** The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.*

2.2 Important Notes

This Prospectus is dated 25 February 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form that accompanies this Prospectus and can only be obtained from the Company upon request.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Website

No document or information included on our website is incorporated by reference into this Prospectus.

2.4 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.7 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

The Company invites investors identified by the Directors to apply for 2,000 Shares at an issue price of \$0.01 per Share to raise \$20 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under the Offer will rank equally with Shares on issue at the date of this Prospectus.

3.2 Objective

The Company is seeking to raise only a nominal amount of \$20 under this Prospectus.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date and, accordingly, the purpose of this Prospectus is not to raise capital. This will include any Shares issued on the exercise of convertible notes or options as set out in Section 4.2.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.3 Applications

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus and can only be obtained from the Company upon request.

Payment for the Shares must be made in full at the issue price of \$0.01 per Share.

Cheques should be made payable to "**Peppermint Innovations Limited**" and crossed "**Not Negotiable**". Completed Application Forms and cheques must reach the address set out above by no later than 5:00pm (WST) on the Closing Date.

3.6 Minimum Subscription

There is no minimum subscription.

3.7 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.9 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.10 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, on (08) 6255 5504.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer.

Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue	1,383,504,463
Shares to be issued under the Offer ²	2,000
Total Shares on issue on completion of the Placement Offer	1,383,506,463

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
2. This assumes the Placement Offer is fully subscribed and no Options are exercised.

Options	Number
Unlisted Options exercisable at \$0.014 each on or before 20 May 2021	30,000,000
Unlisted Options exercisable at \$0.01 each on or before 30 May 2021	35,000,000
Unlisted Options exercisable at \$0.01 each on or before 31 March 2021	79,500,000
Unlisted Options offered exercisable at \$0.01 each on or before 31 December 2021	50,000,000
Unlisted Options offered exercisable at \$0.015 each on or before 17 February 2023	20,000,000
Unlisted Options offered exercisable at \$0.025 each on or before 17 February 2023	20,000,000
Total Options on issue	234,500,000

Convertible Notes	Number
Convertible Notes currently on issue	1,673,358 ¹

Notes:

1. As at the date of this Prospectus, the Convertible Notes have a face value of \$1 per Convertible Note. The Convertible Notes may convert into a maximum of 167,335,800 Shares upon conversion by the noteholder at \$0.01 per Share or as the parties otherwise agree in writing.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

5.1 Shares

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to and in accordance with the Corporations Act, the ASX Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Coronavirus (COVID-19)

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

6.3 Company specific

(a) Acquisitions and Partnerships

The Company plans to investigate and consider potential acquisitions and opportunities to enter into new partnerships that are consistent with its stated growth strategy. The successful implementation of acquisitions will depend on a range of factors including funding arrangements and technical integration. The Company may also enter into partnerships in the future.

Subject to the relevant partnerships, the Company cannot control the actions of joint venture partners and therefore cannot guarantee that partnerships will be operated or managed in accordance with the Company's preferred direction, strategy or risk management parameters. To the extent that acquisitions or partnership arrangements are not successfully integrated with the Company's existing business lines, the growth and financial performance of the Company could be affected and, despite the terms of the relevant agreements, it may be

impractical to enforce all of the Company's rights (particularly if the partnerships operate overseas).

(b) **Contracts**

The Company may enter agreements with counterparties. In such cases, there is the risk that counterparties default on their obligations, which may in turn necessitate legal action. This could result in significant financial loss for the Company. In some cases, the contracts that the Company has entered into may be governed in jurisdictions outside Australia. It may be more difficult to resolve disputes in such jurisdictions than it would be under Australian law. As such, the Company cannot ensure that an appropriate legal resolution will be achieved.

(c) **Intellectual Property Rights**

The Company owns the intellectual property now being used by agents and commercial banks in the Philippines. While the Company has systems and procedures in place to protect its content and information, unauthorised use of its intellectual property could have a negative impact on its operations and brand. The Company also operates in a market where claims of infringement of intellectual property are common. There is a risk of third parties making claims of infringement of intellectual property against the Company. This could result in significant legal costs and negatively impact operations.

(d) **Operations and Management of Potential Growth**

The Company believes that it has attracted a highly skilled and experienced management team. However, the Company is a complex and dynamic business. The Company is working in a fast moving environment, engaged in business with multiple partners and operating in numerous geographies around the world. Navigating these issues while effectively dealing with prioritisation, timing, execution, cost control, and other business decisions is likely to provide real challenges for its small management team.

There can be no guarantee that successful execution of the Company's strategy will make it profitable or commercially viable. Current product development and marketing strategies may not have the intended effect of increasing customers. Similarly, strategies to create value from customers of the application may not yield the expected revenue.

(e) **Product Development**

The Company believes that it provides a meaningful and engaging offering. Moreover, in addition to its current products and services, the Company is planning to develop new products to suit the mobile banking, payments and remittance business it is building. There is also the risk that delays in product development, cost overruns, or difficulties in delivering new features will negatively impact the Company and its business.

(f) **Consistency of Supply**

Product shortages and prolonged delays in delivery may jeopardise the Company's ability to supply tangible products and therefore fulfil contractual obligations to customers and distributors. The Company will

continually adapt its inventory control processes as necessary to mitigate the effect of any supply shortages that may be encountered.

(g) **Maintenance of Reputation and Brand**

Usage and engagement with the Company products and services have the potential to be significantly affected by popular consumer sentiment. As such, the Company's exposure to public relations issues and threats to its reputation and brand name may be greater than for other businesses.

(h) **Dependence on other technological providers**

As a mobile banking and payment application business, the Company will maintain and rely extensively on information technology systems and network infrastructures for the effective operation of its business. As with any product that is dependent on technological systems if the integrity of Peppermint's products fails to meet its clients' expectations (whether or not through any fault of the Company), the Company's reputation could suffer.

PIL is heavily reliant on the operations of telecommunications networks for the provision of PIL's services to the marketplace concerned. Should any of these relationships or agreements terminate or become strained for any reason that would have a negative impact on our operations and business development plans.

(i) **Insurance**

While the Company has sought to be insured in a way that is in keeping with industry practices, there is the risk of an event occurring that is not fully covered by insurance. This may cause significant financial and material loss to the Company. Furthermore, there is the risk that the Company's insurer fails to respect a legitimate claim made by the Company.

(j) **Reliance on Core Information Technology, Other Systems and Security**

As a mobile banking and payment application business, the Company will maintain and rely extensively on information technology systems and network infrastructures for the effective operation of its business. It is also dependent on reliable telecommunication and information technology provision by third parties. As with any product that is dependent on technological systems if the integrity of the Company's products fails to meet its clients' expectations (whether or not through any fault of the Company), the Company's reputation could suffer.

Techniques used to gain unauthorised access to private networks are constantly evolving and the Company may be unable to anticipate or prevent unauthorised access to data pertaining to its customers, which could include credit card and debit card information, bank account details or other personally identifiable information. The Company's service is vulnerable to computer viruses, phishing attacks or other attacks and similar disruptions from unauthorised use of its systems, any of which could lead to system interruptions, delays or shutdowns, causing loss of critical data or the unauthorised access to personally identifiable information. If an actual or perceived breach of security occurs of the Company's systems, it may face civil liability and public perception of our security measures could be diminished, either of which would negatively

affect the Company's ability to attract or maintain customers. The Company also would be required to expend significant resources to mitigate any such breach of security and to address related matters.

(k) **International Expansion**

The Company's products and services are used in the Philippines but in the future intends to expand into other countries. It may therefore likely be subject to multiple overseas jurisdictions. In each different jurisdiction there may be increased compliance and operating costs. If and when it becomes necessary to have a local presence in overseas markets there will be increased overheads as well as development and marketing costs. There is no guarantee such expansions will be successful and increased costs may adversely impact the profitability and working capital of the Company.

(l) **Unforeseen Expenditure**

If the Company's expenses are greater than anticipated due to fluctuation in market prices or any factors which have not been taken into account during the development of this Prospectus, then it will have fewer funds with which to pursue its plan of operations and financing requirements will be greater than anticipated.

(m) **Ability to attract and retain skilled personnel**

The Company's success depends, to a large extent, on its ability to attract and retain appropriately skilled personnel. The Company is currently operated and managed by a small group of select team members. The departure, either temporary or permanent, of those key staff, or any delay in their replacement, could adversely affect The Company's performance. Similarly, as a company seeking to grow and expand, the Company's success in securing new talent will be critical going forward and may be constrained for a number of reasons. The attraction and retention of key staff is determined by a broad range of internal and external factors, some more or less within the Company's control, including, but not limited to, issues concerning: personal or health issues, company performance, public relations and branding, logistics and timing, the availability of IT staff in the market and macro-economic factors.

Additionally, the Company relies on offshore team members. In the event that offshore employees cease to continue working with the Company, this could cause significant disruption to the operations of the business and would require the Company to find alternative employees. Finding alternative employees would take time in recruiting and training them on the product and getting them to a professional level where they could assist in running the operations of the Company business and help to execute the Company business plan. This would have a significant impact on the costs of running the Company business and would likely delay the Company from achieving its objectives and business plan.

(n) **Going concern risk**

The Company's ability to continue as a going concern is dependent upon obtaining financing for planned operations. There can be no assurance that those funds will be raised, or if the Company is able to

raise funds that such funds will be in the amounts required or on terms favourable to the Company.

6.4 Industry specific

(a) Competition from Existing Market Players

The Company may face competition from existing market players who may, for example, undertake aggressive marketing campaigns, product innovation or price discounting.

6.5 General risks

(a) Limited Operating History

The business has had limited operations and revenues to date in which potential investors can evaluate the business. Investors must consider all risks associated with and frequently encountered by companies operating in the same space, particularly companies involved in generally new, rapidly evolving markets.

(b) Loss of key clients

The business currently operates with a few key client relationships. The Company is expected to maintain current and establish new relationships through the continued enhancement of its products and solutions. In the event that these established relationships diminish or fail (including through a termination event arising under an agreement) the resulting effect may negatively impact the operating results of the Company.

(c) Shareholder Dilution

In the future, the Company may elect to issue Shares or engage in fundraisings and also to fund, or raise proceeds, for acquisitions. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such Shares and fundraisings.

(d) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(e) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(f) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(g) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(h) **Market Acceptance**

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns.

Accordingly, there is a risk that the Company may not be able to commercialise its products, which could adversely impact the Company's operations

(i) **Reliance on key personnel**

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

(j) **Foreign Exchange Rate Risks**

The Company expects to derive a majority of its revenue and incur a major part of its expenses from its operations in the Philippines, in Philippine Pesos. Accordingly, changes in the exchange rate between the Philippine Peso and the Australian dollar would be expected to have a direct effect on the performance of the Company.

(k) **Legal Environment and Sovereign Risk**

The Company currently conducts its operations in the Philippines with intentions to develop its business through Asia, Europe and through other parts of the world in future.

While Australia is a stable and developed legal environment, there are still a range of sovereign risks that may adversely affect the performance of the Company. These include, but are not limited to changes to privacy, taxation, accounting, employment, licensing, exchange control or other legislation.

Particularly, over recent years, there has been an increased regulatory and public focus on the use of private information, especially how private information is collected and used for commercial purposes. Any further changes to laws and regulations governing the use of this information could result in an adverse impact on the markets in which the Company operates and, in its business, including its forecast revenues, profit margins, and compliance costs.

The Company's products and services are also used in numerous other countries and will be subject to the local laws and regulations where they apply. Some of the countries in which the Company's products and services are used represent emerging markets and/or less stable legal environments. This may involve risks related to the regularity, speed, transparency and expectations surrounding Government action, ease of gaining fair representation in court and clarity and consistency of the legal framework.

Working in changing, complex and multiple regulatory environments involves a set of risks. These include the risk that the Company may fail to comply with laws or regulations or that laws or regulations may have unintended consequences or are open to interpretations that increase the risk of non-compliance. In addition, there is a risk that the Merged Group may fail to implement procedures within the statutory timeframes to ensure that it can provide services which comply with the introduction of these new laws and regulations.

Any substantial failure by the Company to comply with applicable laws and regulations could result in cessation of part or all of its operations, restriction on its ability to carry out operations, fines, penalties or other liabilities to customers, suppliers or third parties. Compliance failure could also damage the Company's reputation and reduce the attractiveness of its products and services.

(l) **Changes to Government Policies and Legislative Changes**

Government policy and legislative changes which are outside the control of the Company may have a negative impact on the financial

performance of the Company. This risk factor applies to government policy and legislative changes in the Philippine and in Australia.

(m) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

6.6 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
25/02/21	Company Presentation Feb 2021
24/02/21	Reinstatement to Official Quotation
24/02/21	Peppermint to be re-instated to Official Quotation
24/02/21	Pre-Reinstatement Disclosure
24/02/21	Top 20 Shareholders
24/02/21	Distribution Schedule
23/02/21	Anticipated Reinstatement to Official Quotation
18/02/21	Appendix 2A
05/02/21	Proposed issue of Securities - PIL
01/02/21	Quarterly Report to Dec 2020 and 4C
31/01/21	Quarterly Report to Dec 2020 and 4C
29/01/21	Quarterly Report to Dec 2020 and 4C
29/01/21	Prospectus to support reinstatement
25/01/21	Results of Meeting
05/01/21	Update on Reinstatement of Official Quotation
30/12/20	Supplement to September Quarterly
24/12/20	Notice of Annual General Meeting/Proxy Form
14/12/20	Appendix 2A
10/12/20	Supplementary Prospectus
08/12/20	Cleansing Prospectus
08/12/20	Option expiry
27/11/20	Proposed issue of Securities - PIL
27/11/20	Funding Mandate to support re-quotation application
26/11/20	Appendix 4G and Corporate Governance Statement

Date	Description of Announcement
26/11/20	Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at <https://pepltd.com.au/>.

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date ¹
Highest	\$0.0110	n/a
Lowest	\$0.0110	n/a
Last ²	\$0.0110	24 February 2021

Notes:

1. The Company's securities have been in a trading halt since 11 October 2019 and suspended from trading since 11 October 2019 and were re-instated to trading on 25 February 2021.
2. Based on the closing price of the Company's Securities on the day preceding lodgement of this Prospectus, being the closing price of the Company's Securities on 24 February 2021.

7.4 Details of substantial holders

Based on publicly available information as at 24 February 2021, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Ohka Pty Ltd	107,250,214	7.7%
Cicak Pty Ltd	81,317,800	5.9%

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares
Christopher Kain	110,325,322 ¹
Anthony Kain	93,991,416 ²
Matthew Cahill	6,437,768 ³

Notes:

1. Comprising of 107,250,214 Shares held by Ohka Pty Ltd of which Mr C Kain is a sole director and shareholder, 500,001 Shares held by Fich Pty Ltd (as trustee for The Kain Super Fund) of which Mr C Kain is a sole director and controller, and 2,575,107 Shares held directly by Mr C Kain personally.
2. Comprising of 81,317,800 Shares held by Cicak Pty Ltd (as trustee for the Creative Technology Trust) of which Mr A Kain is a sole director and shareholder, 10,098,509 shares held by Rancher Investments Pty Ltd (as trustee for the Box 4 Super Fund) of which Mr A Kain is a sole director and shareholder and 2,575,107 Shares held directly by Mr A Kain.
3. 6,437,768 Shares held by Digital Domain Consulting Pty Ltd, an entity controlled by Mr Cahill.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. 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 by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors in each of the past two financial years and the proposed remuneration for the current financial year.

Director	Financial year ended 30 June 2019 ¹	Financial year ended 30 June 2020 ¹	Proposed Financial year ending 30 June 2021 ¹
Christopher Kain ²	\$303,665	\$303,639	\$305,317
Anthony Kain ³	\$229,181	\$229,162	\$230,428
Matthew Cahill ⁴	\$52,606	\$36,299	\$34,564

Notes:

1. Consisting cash salary and fees, non-monetary benefits (being directors and officers' insurance) and post employment benefits.
2. 2019 - Consisting of \$265,000 in cash salary and fees, \$13,490 non-monetary benefits (being directors and officers' insurance), \$25,175 post employment benefits. 2020 – Consisting of \$265,000 in cash salary and fees, \$13,464 non-monetary benefits (being directors and officers' insurance), \$25,175 post employment benefits. 2021 – Consisting of \$265,000 in cash salary and fees, \$15,142 non-monetary benefits (being directors and officers' insurance), \$25,175 post employment benefits.
3. 2019 - Consisting of \$200,000 in cash salary and fees, \$10,181 non-monetary benefits (being directors and officers' insurance), \$19,000 post employment benefits. 2020 – Consisting of \$200,000 in cash salary and fees, \$10,162 non-monetary benefits (being directors and officers' insurance), \$19,000 post employment benefits. 2021 – Consisting of \$200,000 in cash salary and fees, \$11,428 non-monetary benefits (being directors and officers' insurance), \$19,000 post employment benefits.
4. 2019 - Consisting of \$47,419 in cash salary and fees, \$2,337 non-monetary benefits (being directors and officers' insurance), \$2,850 post employment benefits. 2020 – Consisting of \$31,839 in cash salary and fees, \$1,610 non-monetary benefits (being directors and officers' insurance), \$2,850 post employment benefits. 2021 – Consisting of \$30,000 in cash salary and fees, \$1,714 non-monetary benefits (being directors and officers' insurance), \$2,850 post employment benefits.

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$1,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid or will receive fees totalling \$89,885.02 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$5,000 plus GST as follows:

Expense	(\$)
ASIC Fees	3,206
Miscellaneous, legal, printing and other expenses	1,794
Total	5,000

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form

on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on + 61 8 6255 5504 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the *Corporations Act* and certain rules such as the *ASX Settlement Operating Rules*. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Anthony Kain
Chairman
For and on behalf of
Peppermint Innovation Limited

9. DEFINITIONS

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

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company or PIL means Peppermint Innovation Limited (ACN 125 931 964).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Offer means the offer of Shares set out in this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Prospectus means this prospectus.

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

Shareholder means a shareholder of the Company.

WST means western standard time as observed in Perth, Western Australia.