

PEPPERMINT INNOVATION LIMITED
ACN 125 931 964

PROSPECTUS

For:

- (a) a pro-rata non-renounceable offer to Eligible Shareholders of one Option for every ten Shares held on the Record Date to acquire one Share at an exercise price of \$0.02 on or before 22 December 2021 (**Bonus Option Offer**); and
- (b) an offer to Eligible Shareholders of a further Option for every Bonus Option exercised prior to the Bonus Option Expiry Date to acquire one Share at an exercise price of \$0.03 on or before 30 June 2023 (**Additional Option Offer**),

(together, the **Offers**).

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.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	TIMETABLE AND IMPORTANT NOTES	2
3.	DETAILS OF THE OFFERS	6
4.	PURPOSE AND EFFECT OF THE OFFERS	9
5.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	12
6.	RISK FACTORS	19
7.	ADDITIONAL INFORMATION	27
8.	DIRECTORS' AUTHORISATION	35
9.	DEFINITIONS	36

1. CORPORATE DIRECTORY

Directors

Christopher Kain
Managing Director

Anthony Kain
Executive Director

Matthew Cahill
Non-executive Director

Chief Financial Officer

Michael van Uffelen

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

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PERTH WA 6000

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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
Appendix 3B lodged at ASX	29 November 2021
Lodgement of Prospectus at ASIC and ASX Lodgement of application at ASX for quotation of Additional Options	29 November 2021
Record Date for Bonus Options	3 December 2021
Allotment Date for Bonus Options Lodgement of Appendix 2A at ASX for Bonus Options	6 December 2021
Despatch of holding statements and Option Exercise Notices by no later than	10 December 2021
Expiry date of Bonus Options	22 December 2021
Expected Allotment date of Shares and Additional Options exercised under the Bonus Option Offer	29 December 2021
Last date for quotation of Additional Options (and lodgement of Appendix 2A at ASX for Additional Options)	9 February 2022
Expiry date of Additional Options	30 June 2023

* 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 Additional Options are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Offer Summary

Issue price of Bonus Options	Nil
Issue price of Additional Options	Nil
Exercise price of Bonus Options	\$0.02
Exercise price of Additional Options	\$0.03
Maximum number of Bonus Options to be issued	196,471,828 ¹
Maximum number of Additional Options to be issued	196,471,828 ²
Maximum number of Shares to be issued following exercise of Bonus Options and Additional Options	392,943,656 ³
Bonus Options Expiry Date	22 December 2021
Additional Options Expiry Date	30 June 2023

Notes:

1. Excludes any Shares which may be issued in the event that any Existing Options (including Placement Options and Broker Options) are exercised prior to the Record Date. Fractional entitlements have been rounded down.
2. Assumes all Bonus Options are exercised.
3. Assumes all Bonus Options and Additional Options are exercised.

2.3 Important Notes

This Prospectus is dated 29 November 2021 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

It is important that investors read this Prospectus in its entirety. The information contained in this Prospectus is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Options offered under this Prospectus. The Offer does not take into account the investment objectives, financial situation and particular needs of the investor. You should carefully consider the risks that impact on the Company in the context of your personal requirements (including your financial and taxation position) and seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding whether to invest in the Company. The securities offered under this Prospectus should be considered highly speculative.

This Prospectus is a transaction specific prospectus for the offers of options to acquire 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.

2.4 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.pepltd.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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 replacement prospectus or any of those documents were incomplete or altered.

2.5 Website

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

2.6 Risk Factors

Potential investors should be aware that subscribing for securities 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 securities 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 securities pursuant to this Prospectus.

2.7 Foreign Shareholders

This Prospectus does not constitute an offer of Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

The Company has decided that it is unreasonable to issue securities under the Offers to Shareholders with registered addresses outside of Australia (**Eligible Shareholders**) having regard to the number of Shareholders in those places, the number of securities they would be issued and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offers are not being extended to, and do not qualify for distribution or sale by, and no securities will be issued to Shareholders having registered addresses outside of Australia, (**Ineligible Shareholders**).

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.

2.8 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.

2.9 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.

2.10 Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Bonus Options and Additional Options under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.pepltd.com.au). By making an application under the Options Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

3. DETAILS OF THE OFFERS

3.1 Background to the Offers

On 24 November 2021, the Company completed a placement of 250,000,000 Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.02 per Share, together with one (1) free-attaching Option for every three (3) Shares subscribed for by eligible participants under the Placement (**Placement Options**) (**Placement**). As at the date of this Prospectus, the Placement Options are yet to be issued. However, it is expected that the Placement Options will be issued prior to the Record Date.

Prior to the Record Date, the Company will also issue 30,000,000 Options to the holders of an AFSL selected by the Company who assisted in the raising of funds under the Placement (**Broker Options**).

3.2 The Offers

The Company is making the following offers under this Prospectus:

- (a) a pro-rata non-renounceable issue to Eligible Shareholders of one Bonus Option for every ten Shares held at 5.00pm (WST) on the Record Date to acquire one Share at an exercise price of \$0.02 on or before 22 December 2021 for no consideration; and
- (b) an issue to Eligible Shareholders of an Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date to acquire one Share at an exercise price of \$0.03 on or before 30 June 2023 for no additional consideration.

No funds will be raised from the issue of the Bonus Options pursuant to this Prospectus. However, if the maximum number of Bonus Options are issued and all such Bonus Options are exercised, the Company will raise approximately \$3,929,436.

The issue of Additional Options is contingent on the exercise of the Bonus Options on a one for one basis. Accordingly, in order for the Additional Options to be fully issued, the Company would raise approximately \$3,929,436, being the full receipt of funds from the exercise of the Bonus Options (before costs and expenses). If the Additional Options are in turn exercised in full, the Company will raise approximately \$5,894,154.

The Bonus Options and Additional Options will be issued on the terms and conditions set out in Sections 5.2 and 5.3.

All Shares issued on exercise of the Options will rank equally with Shares on issue at the date of this Prospectus. A summary of the material rights and liabilities attaching to the Shares is set out in Section 5.1.

3.3 Existing Options

There are currently 50,000,000 existing options on issue in the Company at the date of this Prospectus (**Existing Options**). The Company intends to issue the Placement Options and the Broker Options prior to the Record Date.

Holders of Existing Options will not be entitled to participate in the Offers unless they:

- (a) Have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) Participate in the Offers as a result of being an Eligible Shareholder at 5.00pm (WST) on the Record Date.

If any of the Existing Options are exercised prior to the Record Date, additional Bonus Options will be offered under this Prospectus. If all Existing Options on issue at the date of this Prospectus were exercised prior to the Record Date (including the Placement Options and the Broker Options), the Company's issued shares would increase by 163,333,316 Shares, resulting in a further 16,333,331 Bonus Options being offered pursuant to this Prospectus.

Details of the Existing Options are set out in Section 4.2.2(b).

3.3.2 Acceptances and Applications

- (a) Bonus Options

Bonus Options will be issued to Eligible Shareholders within 7 days of the Record Date (or such other date the Directors determine).

Eligible Shareholders may exercise their Bonus Options by completing an application form being a Bonus Options Exercise Notice, paying \$0.02 per Bonus Option exercised or the appropriate amount of money to the Share Registry in accordance with the instructions on the form.

The Company must receive a Bonus Option Exercise Notice payment by 5:00pm (WST) on the Bonus Option Expiry Date. A Bonus Option Exercise Notice received by the Company on or before the date on which the Company is satisfied that the quotation condition in s 723(3) of the Corporations Act has been or can be met in respect of the quotation of the Additional Options will be deemed to have been exercised on the day after the date of the Company being so satisfied.

- (b) Additional Options

Additional Options will be issued after the Bonus Option Expiry Date to Eligible Shareholders who have exercised their Bonus Options, being one Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date.

Additional Options may be exercised by completing an Additional Option Exercise Notice, paying \$0.03 per Additional Option exercised and returning the Additional Option Exercise Notice along with the appropriate amount of money to the Share Registry before the Additional Option Expiry Date.

3.4 Quotation of Options on ASX

- (a) Bonus Options

Bonus Options issued pursuant to the Bonus Option Offer are non-renounceable and accordingly will not be traded on the ASX.

- (b) Additional Options

Application for Official Quotation of the Additional Options offered pursuant to this Prospectus will be made together with application for Official Quotation of the Placement Options and Broker Options offered under the Prospectus released by the Company on 22 November 2021. The Additional Options will remain unquoted until such time as the Company satisfies the quotation requirements.

Whilst application for the Additional Options is made under this Prospectus, and the Additional Options are to be issued free of any consideration, irrespective of whether the ASX grants permission for the official quotation of the Additional Options within 3 months after the date of issue of this Prospectus, the Additional Options will be issued. In the event that the ASX does not so grant permission, the Additional Options will not be tradeable or saleable via the ASX.

Recipients of Additional Options are referred to Section 5.2 dealing with the terms and conditions of the Additional Options.

3.5 Foreign Shareholders

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

This Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus.

Section 2.7 sets out details of eligibility for Shareholders to participate in the Offers.

3.6 Enquiries

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

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

The Company is conducting the Offers with the objective of providing long-term supportive Shareholders a potential benefit of greater exposure to the potential future success of the Company. The purpose of the Offers is to reward Shareholders for continuing to support the Company and to provide the Company with a potential source of additional capital if the Bonus Options are exercised.

Each Eligible Shareholder has the potential to fully benefit from the Offers by receiving one Bonus Option for every ten Shares held as at the Record Date. They can then choose to exercise, at their discretion, the Bonus Option in order to qualify for the issue of an Additional Option.

Each Shareholder likewise has the potential to benefit from the Offers by choosing to exercise, at their discretion, the Additional Option.

No funds will be raised from the issue of the Bonus Options pursuant to this Prospectus. However, if the maximum number of Bonus Options are issued and all such Bonus Options are exercised, the Company will raise approximately \$3,929,436.

The issue of Additional Options is contingent upon the exercise of the Bonus Options on a one for one basis. Accordingly, in order for the Additional Options to be fully issued, the Company would raise approximately \$3,929,436, being the full receipt of funds from the exercise of the Bonus Options (before costs and expenses). If the Additional Options are in turn exercised in full, the Company will raise approximately \$5,894,154.

Any funds raised upon the exercise of any of the Bonus Options will be allocated to the commercial roll-out of the bizmoPay loan service and for general working capital purposes. Such allocation is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4.2 Effect of the Offers

The principal and immediate effect of the Offers, assuming all Bonus Options offered under the Prospectus are issued, will be to issue a maximum of 196,471,828 Bonus Options.

Under the Additional Options Offer the Company will also be issuing Additional Options upon the exercise of any Bonus Options. The Company will apply to ASX for quotation of the Additional Options as new securities in a class of securities that is not already quoted.

4.2.1 Financial Position

The Bonus Options to be issued pursuant to this Prospectus will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's

balance sheet. However, capital will be raised if the Bonus Options are exercised. This will affect the Company's cash position.

If the maximum number of Bonus Options are issued and then exercised the Company will receive \$3,929,436 in cash and the maximum number of Additional Options will be issued. If the maximum number of Additional Options are subsequently exercised, a further \$5,894,154 in cash will be received.

The Company is not in a position to determine with certainty the extent of any change to its balance sheet given the uncertainty as to the number of Options that will be exercised.

The Company's Half Yearly Report and Accounts for the financial half year ended 31 December 2020 was released to ASX on 26 February 2021. For further information on accessing a copy of this document and any other releases to ASX, see Section 7.2.

4.2.2 Effect on capital structure

The effect of the Offer on the Company's capital structure, assuming all Bonus Options are issued, is set out below.

(a) Shares

As at the date of this Prospectus, the Company has 1,964,718,282 Shares on issue. All calculations in this Prospectus are based on the expected number of Shares that will be on issue as at the Record Date. If the maximum number of Bonus Options are issued and subsequently exercised, the number of Shares on issue will increase by approximately 196,471,828. If the maximum number of Additional Options are issued and subsequently exercised, the number of Shares on issue will increase by approximately 196,471,828.

If any of the Existing Options are exercised prior to the Record Date, additional Bonus Options will be issued under the Bonus Option Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date (including the Placement Options and Broker Options), the Company's issued shares would increase by 163,333,316 Shares resulting in a further 16,333,331 Bonus Options being issued pursuant to this Prospectus.

(b) Other securities

As at the date of this Prospectus, the Company has the following other securities on issue:

Existing Options

Options ¹	Number
Options currently on issue (quoted)	Nil
Options currently on issue (unquoted):	
exercisable at \$0.015 on or before 18 February 2024	20,000,000
exercisable at \$0.025 on or before 18 February 2024	20,000,000
exercisable at \$0.02 on or before 30 June 2024	2,500,000
exercisable at \$0.025 on or before 30 June 2024	2,500,000

Options ¹	Number
exercisable at \$0.03 on or before 30 June 2024	2,500,000
exercisable at \$0.04 on or before 30 June 2024	2,500,000
Total Options on issue	50,000,000
Options exercisable at \$0.03 on or before 30 June 2023 (to be issued pursuant to the Placement Offer) (unquoted) ²	83,333,316
Options exercisable at \$0.03 on or before 30 June 2023 (to be issued pursuant to the Broker Offer) (unquoted) ²	30,000,000
Total Options on issue on completion of the Placement Offer and Broker Offer	163,333,316
Bonus Options proposed to be issued (unquoted) ¹	196,471,828
Additional Options proposed to be issued (quoted) ¹	196,471,828
Total Options on issue on completion of the Offers	556,276,972

Notes:

1. The rights and liabilities attaching to the Options are summarised in Sections 5.2 and 5.3 of this Prospectus.
2. As set out above in Section 3.4, the Company intends to apply for quotation of these Options.

Convertible notes	Number
Convertible notes currently on issue ¹	438,732
Convertible notes offered pursuant to the Placement Offer	Nil
Convertible notes offered pursuant to the Options Offer	Nil
Convertible notes offered pursuant to the Broker Offer	Nil
Total Convertible Notes on issue after completion of the Offers	438,732

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 43,873,200 Shares upon conversion by the noteholder at \$0.01 per Share along with interest which has accrued on the Convertible Notes to the date of conversion or as the parties otherwise agree in writing.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to securities being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of securityholders. 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:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) 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
- (iii) 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 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 Securities 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.

5.2 Bonus Options

The terms and conditions of the Bonus Options are as follows:

(a) **Entitlement**

Each Bonus Option entitles the holder to subscribe for one Share upon exercise of the Bonus Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.02 (**Bonus Option Exercise Price**).

(c) **Expiry Date**

Each Bonus Option will expire at 5:00 pm (WST) on 22 December 2021 (**Bonus Option Expiry Date**). A Bonus Option not exercised before the Bonus Option Expiry Date will automatically lapse on the Bonus Option Expiry Date.

(d) **Exercise Period**

The Bonus Options are exercisable at any time on or prior to the Bonus Option Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Bonus Options may be exercised during the Exercise Period by delivering a duly completed notice of exercise (**Bonus Option Exercise Notice**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

Bonus Options shall be deemed to have been exercised on the later of:

- (i) the date of receipt of the Bonus Option Exercise Notice and date of receipt of payment of the Bonus Option Exercise Price for each Bonus Option being exercised in cleared funds; and

- (ii) the day following the date on which the Company is satisfied that the quotation condition in s 723(3) of the Corporations Act has been or can be met in respect of the quotation of the Additional Options.

(Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Bonus Options rank equally with the then issued shares of the Company.

(i) No Quotation of Bonus Options

The Company will not apply to ASX for quotation of the Bonus Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Bonus Options and holders will not be entitled to participate in new issues of

capital offered to Shareholders during the currency of the Bonus Options without exercising the Bonus Options.

(l) **Change in exercise price**

A Bonus Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Bonus Option can be exercised.

(m) **Transferability**

The Bonus Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5.3 Additional Options

(a) **Entitlement**

Each Additional Option entitles the holder to subscribe for one Share upon exercise of the Additional Option.

(b) **Exercise Price**

Subject to paragraph 5.2(j), the amount payable upon exercise of each Option will be \$0.03 (**Additional Option Exercise Price**).

(c) **Expiry Date**

Each Additional Option will expire at 5:00 pm (WST) on 30 June 2023 (**Additional Option Expiry Date**). An Additional Option not exercised before the Additional Option Expiry Date will automatically lapse on the Additional Option Expiry Date.

(d) **Exercise Period**

The Additional Options are exercisable at any time on or prior to the Additional Option Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Additional Options may be exercised during the Exercise Period by delivering a duly completed notice of exercise (**Additional Option Exercise Notice**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

An Additional Option Exercise Notice is only effect from the later of the date of receipt of the Exercise Notice and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Additional Option Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Additional Option Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 5.2(g)5.2(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Additional Options rank equally with the then issued shares of the Company.

(i) **Quotation of Additional Options**

The Company will apply to ASX for quotation of the Additional Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Additional Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Additional Options without exercising the Additional Options.

(l) **Change in exercise price**

An Additional Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Additional Option can be exercised.

(m) **Transferability**

The Additional Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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.

PEP is heavily reliant on the operations of telecommunications networks for the provision of PEP'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 unauthorized use of its systems, any of which could lead to system interruptions, delays or shutdowns, causing loss of critical data or the unauthorized 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
26/11/2021	Notification regarding unquoted securities - PIL
25/11/2021	Update – Proposed issue of securities - PIL
25/11/2021	Small timing amendment
25/11/2021	Peppermint raises \$5 million
24/11/2021	Application for quotation of securities - PIL
24/11/2021	Proposed issue of securities - PIL
23/11/2021	Update - Proposed issue of securities - PIL
23/11/2021	Update - Proposed issue of securities - PIL
22/11/2021	Placement Prospectus
19/11/2021	Placement Update
11/11/2021	Proposed issue of securities - PIL
11/11/2021	Proposed issue of securities - PIL
11/11/2021	Proposed issue of securities - PIL
11/11/2021	EMI progress and \$4 million placement
9/11/2021	Trading Halt
4/11/2021	Clarification
4/11/2021	Peppermint launches bizmoPay commercial roll out
2/11/2021	Letter to shareholders re AGM NOM
2/11/2021	Notice of Annual General Meeting/Proxy Form
1/11/2021	Proposed issue of securities - PIL
28/10/2021	Peppermint signs with large payment gateway Dragonpay
26/10/2021	Becoming a substantial holder
26/10/2021	Quarterly Activities/Appendix 4C Cash Flow Report
31/08/2021	Appendix 4G and Corporate Governance Statement

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 <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
Highest	\$0.025	19/11/2021
Lowest	\$0.010	06/10/2021
Last	\$0.017	29/11/2021

7.4 Details of substantial holders

Based on publicly available information as at 29 November 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	5.46%
Cadada Holdings Pty Ltd <CA Astill Investment Trust>	84,866,351	4.32%

In the event all Bonus Options are exercised there will be no change to the substantial holders on completion of the Offers, however if not all Bonus Options are exercised (including by any of the substantial holders) this may result in a change to their shareholding interest.

While the final percentage interests held by Shareholders is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which Eligible Shareholders exercise their Options, the Company expects that the potential effect of the issue of Bonus Options and Additional Options under the Offers on the control of the Company will be minimal.

The Company confirms that no existing Shareholder will increase its shareholding to above 19.99% as a result of the Offers.

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 107,250,214 Shares held by Ohka Pty Ltd of which Mr C Kain is a sole director and shareholder, 500,000 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 2020 ¹	Financial year ended 30 June 2021 ¹	Proposed Financial year ending 30 June 2022 ¹
Christopher Kain ²	\$303,665	\$305,317	\$356,338
Anthony Kain ³	\$229,181	\$230,428	\$281,124
Matthew Cahill ⁴	\$52,606	\$34,564	\$39,684

Notes:

1. Consisting cash salary and fees, non-monetary benefits (being directors and officers' insurance) and post employment benefits.
2. 2020 - comprising \$265,000 in cash salary and fees, \$13,464 non-monetary benefits (being directors and officers' insurance), \$25,175 post employment benefits. 2021 - comprising \$265,000 in cash salary and fees, \$15,142 non-monetary benefits (being directors and officers' insurance), \$25,175 post employment benefits. 2022 - comprising \$265,000 in cash salary and fees, \$15,142 non-monetary benefits (being directors and officers' insurance), \$26,500 post-employment benefits and share-based payments of \$49,696, being the value of incentive performance rights amortised for the year (proposed to be issued subject to shareholder approval at the upcoming annual general meeting on 30 November 2021).
3. 2020 - comprising \$200,000 in cash salary and fees, \$10,162 non-monetary benefits (being directors and officers' insurance), \$19,000 post employment benefits. 2021 - comprising \$200,000 in cash salary and fees, \$11,428 non-monetary benefits (being directors and officers' insurance), \$19,000 post employment benefits. 2022 - comprising \$200,000 in cash salary and fees, \$11,428 non-monetary benefits (being directors and officers' insurance), a superannuation payment of \$20,000 and share-based payments of \$49,696, being the value of incentive performance rights amortised for the year (proposed to be issued subject to shareholder approval at the upcoming annual general meeting on 30 November 2021).
4. 2020 - comprising \$31,839 in cash salary and fees, \$1,610 non-monetary benefits (being directors and officers' insurance), \$2,850 post employment benefits. 2021 - comprising \$30,000 in cash salary and fees, \$1,714 non-monetary benefits (being directors and officers' insurance), \$2,850 post employment benefits. 2022 - comprising \$30,000 in cash salary and fees, \$1,714 non-monetary benefits (being directors and officers' insurance), \$3,000 post-employment benefits and share-based payments of \$4,970, being the value of incentive performance rights amortised for the year (proposed to be issued subject to shareholder approval at the upcoming annual general meeting on 30 November 2021).

7.6 Interests of experts and advisers

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

- 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;
- promoter of the Company; or
- 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 the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$118,152.50 (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 Securities), 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 \$10,000 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	1,250
Legal Fees	5,000
Miscellaneous, printing and other expenses	544
Total	10,000

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

\$ means Australian dollars.

Additional Option Offer means an offer to Eligible Shareholders of a further Option for every Bonus Option exercised prior to the Bonus Option Expiry Date to acquire one Share at an exercise price of \$0.03 on or before 30 June 2023.

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 CHESS.

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

Bonus Option Offer means a pro-rata non-renounceable offer to Eligible Shareholders of one Option for every ten Shares held on the Record Date to acquire one Share at an exercise price of \$0.02 on or before 22 December 2021.

Broker Offer means the offer of up to 30,000,000 Broker Options under the Prospectus dated 22 November 2021.

Broker Options means up to 30,000,000 Options agreed to be issued (exercisable at \$0.03 each, on or before 30 June 2023) as part of the consideration for raising funds in connection with the Placement.

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.

Company 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.

Eligible Shareholders has the meaning given in Section 2.7

Existing Option means an Option that is in existence and has not been exercised as at the date of this Prospectus.

Ineligible Shareholders has the meaning given in Section 2.7

Offers has the meaning given to that term on the front page of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Placement has the meaning given in Section 3.1

Placement Offer means the offer of up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise \$5,000,000 (before expenses), together with one (1) free attaching option for every three (3) Shares issued under the prospectus dated 22 November 2021.

Prospectus means this prospectus.

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

Shareholder means a shareholder of the Company.

Share Registry means Computershare Investor Services Pty Ltd (ACN 078 279 277).

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