

ASX ANNOUNCEMENT

PEPPERMINT REPORTS ON DECEMBER 2015 HALF YEAR

PERTH, AUSTRALIA, 17 MARCH 2016: The Board of Peppermint Innovation Ltd (ASX: PIL) wishes to advise shareholders that the Company will resume active trading today following the complete audit of its Philippine operations and audit review of the accounts of the Company combined with those of mining company Chrysalis Resources Limited, which the Company acquired by RTO in December 2015. This has resulted in the production of the attached Appendix 4D and duly executed Interim Financial Report and Statutory Accounts for the Dec 2015 Half Year.

Peppermint Innovation CEO, Mr Chris Kain, said: "I would like to thank shareholders for their understanding and apologise for any concern this suspension may have caused. Please note that it has not interfered with our business operations at all. We very much look forward to the imminent launch of the MyWeps mobile payments and remittances application in the Philippines and the value it will represent to our shareholders, along with the other initiatives we have been pursuing.

"We are proud of Peppermint's achievements, both behind the scenes and those publicly disclosed, since our readmission to the ASX on 4 December 2015.

"Peppermint is committed to open and transparent communication with the market, in line with best-practice, and our intention is to regularly update shareholders on company milestones and progress."

-ENDS-

For more information please contact:

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About Peppermint Innovation Ltd

Peppermint Innovation is an Australian company focused on the commercialisation and further development of the Peppermint Platform, a mobile banking, payments and remittance technology designed for banks, mobile money operators, money transfer and funds remittance companies, payment processors, retailers/merchants, credit card companies and microfinance institutions. Peppermint currently operates the Peppermint Platform in the Philippines.

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

The Peppermint Platform is now being used by leading commercial banks in the Philippines.



Appendix 4D

(Rule 4.2A.3)

Half year report

Name of entity

Peppermint Innovation Limited (formerly Chrysalis Resources Limited)	56 125 931 964
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1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
31 December 2015	31 December 2014

2. Results for Announcement to the Market

					\$'000
2.1	Revenue from ordinary activities	up	100%	to	277
2.2	Loss from ordinary activities after tax attributable to members	up	5,148%	to	7,874
2.3	Net loss for the period attributable to members	up	5,148%	to	7,874

2.4	Brief explanation of results
	<p>The Company announced on 21 May 2015 that it had entered into an option agreement to acquire Peppermint Technology Limited (then Peppermint Innovation Limited) subject to due diligence and fund raising conditions.</p> <p>On 22 July 2015 the Company announced it had completed its due diligence and exercised the option to acquire, and on 16 October 2015 it released a prospectus. The fund raising under the prospectus was completed on 18 November 2015, with the Company raising \$3.87 million.</p> <p>The acquisition of Peppermint Technology Limited was completed on 2 December 2015, following which Chrysalis Resources Limited changed its name to Peppermint Innovation Limited and re-commenced trading on the ASX on 4 December 2015 under ASX code "PIL".</p> <p>The net loss for the consolidated entity amounted to \$7,873,711 (31 December 2014: \$150,025).</p>



	<p>The loss for the period includes;</p> <p>-a one off non-cash expense of \$7,234,766 from the treatment of the acquisition of Peppermint Innovation Limited; and</p> <p>-revenue of \$277,304 was generated from the Company's commercial bank customer base during the period</p> <p>For further details, please refer to the interim financial report.</p>
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3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.003	\$0

4 Control gained or lost over entities having material effect

During the period the company completed the acquisition of 100% of the share capital of Peppermint Technology Limited (then Peppermint Innovation Limited). This transaction was completed on 2 December 2015 and the company listed on the ASX on 4 December 2015

5. Dividends

There were no dividends declared or paid during the period and the do not recommend that any dividends be paid.

6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

Not applicable.

8. Foreign Entities

This report includes Peppermint Technology Inc., a company registered in the Philippines, which is 100% is owned subsidiary of Peppermint Innovation limited.

The report also includes Horizon Copper Zambia Limited and Zambian Resources Limited, both registered in the Republic of Zambia which are 100% and 99.99% owned, respectively.



9. Independent Review Report

Refer to attached Half year Financial Report for the half-year ended 31 December 2015.

10. Compliance Statement

This report should be read in conjunction with the attached Half Year Financial Report for the half-year ended 31 December 2015



Signed here:

Date: 16th March 2015

Print name: Anthony Kain
Executive Director/Company Secretary





Peppermint Innovation Limited

(Formerly Chrysalis Resources Limited)

(ACN 125 931 964)

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED

31 DECEMBER 2015

COMPANY DIRECTORY

Directors

Mr Christopher Kain
Managing Director

Mr Anthony Kain
Executive Director

Mr Mathew Cahill
Non-executive Director

Mr Leigh Ryan
Non-executive Director

Mr Vincent Power
Non-executive Director

Company Secretary

Mr Anthony Kain

Registered Office

Suite 20, 7 The Esplanade
Mt Pleasant WA 6153

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Fax: +61 8 9315 5475

Web Address

www.pepltd.com.au

Auditors

RSM Australia Partners
8 St Georges Terrace
Perth, WA 6000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth, WA 6000

Share Registry

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

Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

Web: www.computershare.com.au

ASX Code:

PIL (formerly CYS)

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DIRECTORS' REPORT

Your Directors submit the financial report of the Company, being Peppermint Innovation Limited, and the entities it controlled ("the consolidated entity"), for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

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

Christopher Kain	Managing Director and CEO	
Anthony Kain	Executive Director	
Mathew Cahill	Non-executive Director	
Leigh Ryan	Non-executive Director	Appointed 30 November 2015 ¹
Vincent Power	Non-executive Director	Appointed 9 December 2015

Review of Operations

Reverse Takeover of Peppermint Innovations Limited

The Company announced on 21 May 2015 that it had entered into an option agreement to acquire Peppermint Technology Limited (formerly Peppermint Innovation Limited) subject to due diligence and fund raising conditions.

On 22 July 2015 the Company announced it had completed its due diligence and exercised the option to acquire Peppermint Technology Limited, and on 16 October 2015 it released a prospectus. The fund raising under the prospectus was completed on 18 November 2015, with the Company raising \$3.87 million.

The acquisition of Peppermint Technology Limited was completed on 2 December 2015, following which the Company changed its name from Chrysalis Resources Limited to Peppermint Innovation Limited and re-commenced trading on the ASX on 4 December 2015 under ASX code "PIL". The target company changed its name from Peppermint Innovation Limited to Peppermint Technology Limited.

The following Board and key management changes occurred as part of the acquisition:

- Appointment of Christopher Kain as Managing Director and CEO on 30 November 2015;
- Appointment of Anthony Kain as Executive Director and Company Secretary on 30 November 2015;
- Appointment of Matthew Cahill as Non-executive Director on 30 November 2015;
- Resignation of Neale Fong as Non-executive Director and Chairman on 30 November 2015;
- Resignation of Jian Hua Sang as Non-executive Director on 30 November 2015; and
- Resignation of Kevin Hart as Company Secretary on 30 November 2015.

¹ Leigh Ryan was a director of Chrysalis Resources Limited prior to the reverse takeover of Chrysalis Resources Limited by Peppermint Innovation Limited and continued to serve as a director from the date of the reverse takeover.

DIRECTORS' REPORT

About Peppermint Innovations Limited

Peppermint Innovation Limited is an Australian company focused on the commercialisation and further development of the Peppermint Platform, a mobile banking, payments and remittance technology designed for banks, mobile money operators, money transfer and funds remittance companies, payment processors, retailers/merchants, credit card companies and microfinance institutions.

Peppermint currently operates the Peppermint Platform in the Philippines where it is being used by the leading commercial banks generating around one million transactions per month. It is also operating in a joint venture piloting a domestic remittance and mobile banking business with MyWepS International Inc. and 1Bro Global Inc., a group with more than 90,000 agents and 40 business centres across the Philippines.

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

Peppermint Developments

Since the Company re-commenced ASX trading on 4 December 2015 as Peppermint Innovation Limited, several key developments have been achieved:

- The appointment of global payments expert, Dr Vincent Power, to the position of Non-executive Director and International Business Development Executive on an equity earn-in incentive-based agreement, to drive profitability, and guide future international expansion, for Peppermint;
- Entered into a Memorandum of Understanding with Norwood Systems Limited to become the preferred payment partner to provide payment methods to Norwood Systems' unbanked customers in developing markets;
- Signed a Memorandum of Understanding with Migme Limited, a global digital media company delivering social entertainment services to more than 30 million users in emerging markets, to explore the possibility of a Peppermint payment solution for Migme customers in the Philippines;
- Completed a successful development and testing program of the MyWeps remittance mobile payments application; and
- Announced expanded capabilities which will be incorporated into the MyWeps app to provide Filipinos with e-money mobile services, and which will be used exclusively by the 1Bro Global network of 90,000+ agents and 40 business centres across the Philippines. The e-money market represents a significantly larger sector than the initial target market of solely domestic and international remittances.

Mineral Exploration Projects

Prior to Peppermint being admitted to the ASX, Chrysalis Resources Limited carried on a mining business involving exploration projects in Australia and Zambia.

The Company is seeking to divest its mineral exploration projects and has shut down offices and begun the sale of mining equipment and vehicles in Zambia to cover any costs. These assets have been carried at nil value reflecting the change in direction of the Company and the Company's policy of expensing exploration and evaluation costs.

DIRECTORS' REPORT

Share Structure

Following completion readmission to the ASX as Peppermint Innovation Limited on 4 December 2015, the Company had the following shares on issue:

Holder of Fully Paid Ordinary Shares	Number of Shares
Shares issued to shareholders before the acquisition	345,484,128
Shares issued to shareholders of Peppermint Technology Limited	350,000,000
Shares issued to raise funds under the prospectus	193,715,000
Shares issued to Mr Leigh Ryan under his employment contract	2,000,000 ²
	<u>891,199,128</u>

Performance Shares

Performance Shares were issued as part of the consideration to acquire Peppermint Technology Limited, as follows:

Performance Shares issued	<u>100,000,000</u>
	<u>100,000,000</u>

Each performance share is convertible into one (1) fully paid ordinary share in the capital of the Company, upon the following milestones being achieved:

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

Financial Review

The net loss for the consolidated entity amounted to \$7,873,711 (31 December 2014: \$150,025).

The loss for the period includes:

- a one off non-cash expense of \$7,234,766, from the accounting treatment of the acquisition of Peppermint Innovation Limited (formerly Chrysalis Resources Limited), which requires Peppermint Technologies Limited to be treated as the acquirer and therefore treats the fair value of the listed company in the transaction as a restructuring and re-listing expense; and
- revenue of \$277,304 was generated from the Company's commercial bank customer base during the period.

At the end of the period the consolidated entity had \$3,056,197 (30 June 2015: \$155,666) in cash.

² Under the terms of Leigh Ryan's employment contract, performance shares previously issued vest in the event of a takeover of the Company.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this Directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

A handwritten signature in blue ink, appearing to read 'C. Kain', is written over a faint, illegible background.

Mr Christopher Kain
Managing Director

Dated this 16th day of March 2016

RSM Australia Partners

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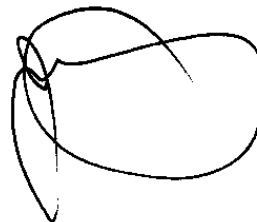
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Peppermint Innovation Limited for the half -year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to be "J A Komninos".

Perth, WA
Dated: 16 March 2016

J A KOMNINOS
Partner

THE POWER OF BEING UNDERSTOOD
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RSM Australia Partners ABN 36 965 185 036

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF YEAR ENDED 31 DECEMBER 2015

	Note	Half Year Ended 31/12/2015 \$	Half Year Ended 31/12/2014 \$
Revenue		277,304	-
Cost of sales		(237,695)	-
Gross profit		39,609	-
Interest income		544	-
Administration fees		(128,313)	(8,275)
Consultancy fees		(202,054)	(41,750)
Depreciation and amortisation		(8,053)	-
Employee benefits expenses		(8,201)	-
Finance costs		(27,866)	-
Licence fees		(41,470)	(100,000)
Professional fees		(223,141)	-
Share based payment expense	9	(40,000)	-
Restructuring/relisting expense	2(c)	(7,234,766)	-
Loss before income tax expense		(7,873,711)	(150,025)
Income tax expense		-	-
Net loss for the period		(7,873,711)	(150,025)
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(5,926)	-
		(5,926)	-
Total comprehensive loss for the period		(7,879,637)	(150,025)
Net (loss) per share (in cents)			
Basic and diluted for the period	7	(0.02)	(0.0005)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	31 December 2015	30 June 2015
Note	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	3,056,197	155,666
Trade and other receivables	96,898	26,419
Others	21,631	113
Total Current Assets	3,174,726	182,198
Non-Current Assets		
Plant & equipment	39,316	1,594
Intangible assets	169,375	169,375
Total Non-Current Assets	208,691	170,969
Total Assets	3,383,417	353,167
LIABILITIES		
Current Liabilities		
Trade and other payables	313,747	25,319
Interest bearing liabilities	4	507,196
Provisions	22,325	-
Total Current Liabilities	336,072	532,515
Total Liabilities	336,072	532,515
Net Assets/(Liabilities)	3,047,345	(179,348)
EQUITY		
Issued capital	5	220,903
Reserves	(6,757)	(831)
Accumulated losses	(8,273,131)	(399,420)
Total Equity	3,047,345	(179,348)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF YEAR ENDED 31 DECEMBER 2015

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
From incorporation at 24 July 2014	-	-	-	-
Loss for the period	-	-	(150,025)	(150,025)
Total comprehensive loss for the period	-	-	(150,025)	(150,025)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued	150,000	-	-	150,000
Balance at 31 December 2014	150,000	-	(150,025)	(25)
Balance at 1 July 2015	220,903	(831)	(399,420)	(179,348)
Loss for the period	-	(5,926)	(7,873,711)	(7,879,637)
Total comprehensive loss for the period	220,903	(6,757)	(8,273,131)	(8,058,985)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares prior to acquisition	533,377	-	-	533,377
Issue of shares for acquisition of subsidiary	6,909,683	-	-	6,909,683
Shares issued	3,874,300	-	-	3,874,300
Share issue expenses	(251,030)	-	-	(251,030)
Share based payments	40,000	-	-	40,000
Balance at 31 December 2015	11,327,233	(6,757)	(8,273,131)	3,047,345

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

HALF YEAR ENDED 31 DECEMBER 2015

Note	Half Year Ended 31/12/2015 \$	Half Year Ended 31/12/2014 \$
Cash flows from operating activities		
Cash receipts from customers	277,304	-
Payments to suppliers and employees	(721,124)	(150,025)
Interest received	544	-
Net cash used in operating activities	<u>(443,276)</u>	<u>(150,025)</u>
Cash flows from investing activities		
Acquisition of subsidiary, net cash	<u>(279,338)</u>	-
Net cash used in investing activities	<u>(279,338)</u>	-
Cash flows from financing activities		
Net proceeds from issue of shares	<u>3,623,270</u>	150,000
Net cash provided by financing activities	<u>3,623,270</u>	150,000
Net increase/(decrease) in cash held	2,900,656	(25)
Cash and cash equivalents at the beginning of the period	155,666	-
Effect of exchange fluctuations on cash held	(125)	-
Cash and cash equivalents at the end of the period	<u><u>3,056,197</u></u>	<u><u>(25)</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that the financial statements are read in conjunction with the annual financial report for the period ended 30 June 2015 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim financial statements have been approved and authorised for issue by the Board on 16 March 2016.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant or material change to the consolidated entity's accounting policies.

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

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the functional currency of Peppermint Innovation Limited. The functional currency of Peppermint Technology Inc. is Philippines Peso and the financial statements have been converted into the functional currency of Peppermint Innovation Limited in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Reverse Acquisition accounting

On 4 December 2016, Peppermint Innovation Limited (formerly Chrysalis Resources Limited), the legal parent and legal acquirer, completed the acquisition of Peppermint Technology Limited (previously Peppermint Innovation Limited) and its controlled subsidiary. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations, with Peppermint Technology Limited deemed to be the accounting acquirer. The acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations. Effectively Peppermint Technology Limited has been recapitalised, acquiring the net assets and listing status of Peppermint Innovation Limited.

Accordingly the consolidated financial statements of the Peppermint Innovation Limited have been prepared as a continuation of the business and operations of Peppermint Technology Limited. The recapitalisation is measured at the fair value of the equity instruments that would have been given by the controlled entity, Peppermint Technology Limited, to have exactly the same percentage holding in the new structure at the date of acquisition.

The implications of the acquisition on the group restructure on the financial statements are as follows;

Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash flow.

- The 31 December 2015 consolidated statements comprises 6 months of Peppermint Technology Limited and Peppermint Tech. Inc and 27 days of Peppermint Innovation Limited.
- The 31 December 2014 comparative statements comprises the period 24 July 2014 to 31 December 2014 of Peppermint Technology Limited only.

Consolidated Statement of Financial Position

- The consolidated statement of financial position as at 31 December 2015 comprises of Peppermint Technology Limited, Peppermint Innovation Limited and the other controlled entities listed in Note 6.
- The comparative statement of financial position at 30 June 2015 comprises Peppermint Technology Limited and Peppermint Technology Inc.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: REVERSE ACQUISITION ACCOUNTING

On 4 December 2015, Peppermint Innovation Limited (formerly Chrysalis Resources Limited) completed the legal acquisition of Peppermint Technology Limited (formerly Peppermint Innovation Limited). Under the Australian Accounting Standards, Peppermint Technology Limited was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment in which Peppermint Technology Limited acquired the net assets and listing status of Peppermint Innovation Limited.

(a) Deemed Consideration

The purchase consideration was the 350,000,000 shares in Peppermint Innovation Limited (formerly Chrysalis Resources Limited and legal parent) to the shareholders of Peppermint Technology Limited (formerly Peppermint Innovation Limited) deemed to have a value of \$6,909,683 determined as follows:

Quoted share price on 4 December 2015	\$0.02
Peppermint Innovation Limited (formerly Chrysalis Resources Limited) shares on issue at acquisition date	345,484,128
Deemed consideration	\$6,909,683

As part of the transaction, Peppermint Innovation Limited (formerly Chrysalis Resources Limited) issued a total of 100,000,000 performance shares to the shareholders of Peppermint Technology Limited (formerly Peppermint Innovation Limited) which convert to fully paid ordinary shares on the basis of one (1) performance share into one (1) fully paid ordinary share in the capital of the Company, upon the following milestones being achieved:

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

No value has been allocated to the Performance Shares due to the significant uncertainty of meeting the two performance milestones which are based on future events.

(b) Fair value of Peppermint Innovation Limited at acquisition:

	\$
Cash deficit	(279,338)
Trade and Receivables	43,594
Plant and Equipment	88,863
Trade and other payables	<u>(178,202)</u>
Net liabilities (deemed fair value)	(325,083)

(c) Restructuring and relisting costs

Excess of consideration provided over the fair value of net liabilities at the date of acquisition, being group restructuring and relisting costs, recorded in the statement of profit or loss and other comprehensive income

\$7,234,766

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: SEGMENT REPORTING

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Chief Operating Decision Maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following the adoption of AASB 8, the identification of the consolidated entity's reportable segments has not changed. During the period, the consolidated entity's considers that it has only operated in one segment.

The Company operates predominantly in the mobile banking and payments industry. For management purposes, the Company is organised into one main operating segment, which involves operating a mobile banking, payments and remittance platform. All of the Company activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole.

NOTE 4: INTEREST BEARING LIABILITIES

CURRENT	31/12/2015	30/06/15
	\$	\$
Loan – unsecured	500,000	500,000
Accrued Interest	<u>33,377</u>	<u>7,197</u>
	533,377	507,197
Conversion to equity	<u>(533,377)</u>	<u>-</u>
	<u>-</u>	<u>507,197</u>

In May 2015, Peppermint Technologies Limited entered into loan agreements with shareholders for loans totalling \$500,000. Under the loan agreements, interest accrues at a fixed rate of 12% per annum. The loans plus the accrued interest were converted to 1,923,077 fully paid ordinary shares in Peppermint Technology Limited (formerly Peppermint Innovation Limited) before the reverse takeover (see note 5).

NOTE 5: ISSUED CAPITAL

(a) Share capital

	As at 31/12/2015 \$	As at 30/06/2015 \$
Fully paid ordinary shares 891,199,128 (30 June 2015:11,650,000)	11,327,233	220,903

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: ISSUED CAPITAL (cont'd)

(b) Movements in ordinary share capital

	Number	\$
Issued Shares		
Balance 1 July 2014	-	-
Issue of shares	11,650,000	220,903
Balance 30 June 2015	11,650,000	220,903
Balance 1 July 2015	11,650,000	220,903
Shares Issued (see note 4)	1,923,077	533,377
Elimination of Issued Capital on acquisition of subsidiary (i)	(13,573,077)	-
Existing Chrysalis Resources Ltd shares on acquisition (see note 2(a))	345,484,128	-
Issue of shares on acquisition of subsidiary (see note 2(a))	350,000,000	6,909,683
Issue of shares from capital raising (ii)	193,715,000	3,874,300
Costs relating to issue of shares	-	(251,030)
Share based payment (see note 9)	2,000,000	40,000
Balance 31 December 2015	891,199,128	11,327,233

- (i) On 4 December 2015, Peppermint Innovations Limited (formerly Chrysalis Resources Limited) acquired 100% of the share capital of Peppermint Technology Limited (formerly Peppermint Innovations Limited). Under Australian Accounting Standards, Peppermint Technology Limited was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment in which Peppermint Technology Limited acquires the net assets and listing status of Peppermint Innovations Limited (formerly Chrysalis Resources Limited).
- (ii) The Company issued 193,715,000 at \$0.02 to raise \$3,874,300, before costs, under a re-compliance prospectus dated 16 October 2015 as part of a recapitalisation of the Company pursuant to a reverse takeover. Please see note 2 for further details.

c) Performance Shares

During the period, 100,000,000 performance shares were issued – refer to Note 2 for further information relating to these performance shares. As at 31 December 2015, none of the milestones of the performance shares had been achieved.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: CONTROLLED ENTITIES

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

	Country of Incorporation	Principal Activity	Percentage Owned (%)
Parent entity			
Peppermint Innovation Limited	Australia	Investment	
Name of controlled entities			
Peppermint Technology Limited	Australia	Information Technology	100%
Peppermint Technology Inc.	Philippines	Information Technology	100%
Horizon Copper Zambia Limited	Republic of Zambia	Dormant	100%
Zambian Copper Pty Ltd	Australia	Dormant	100%
Sedgwick Resources Limited	Republic of Zambia	Exploration	99.99%

NOTE 7: EARNINGS PER SHARE

	Half Year Ended 31/12/2015	Period From 24/07/14 to 31/12/2014
(Loss) used in the earnings per share calculation	(\$7,873,711)	(\$150,025)
Weighted average number of ordinary shares	385,438,703	300,410,880
(Loss) per share (cents)	(\$0.02)	(\$0.0005)

NOTE 8: RELATED PARTY DISCLOSURE

(a) Transactions and balances with Key Management Personnel

During the half-year ended 31 December 2015, the following directors were issued shares and performance shares in exchange for shares they owned in Peppermint Technologies Limited, which was the subject of a reverse takeover by the Company:

	Shares	Performance Shares
Christopher Kain	110,325,322	31,521,521
Anthony Kain	93,991,416	26,854,690
Matthew Cahill	6,437,768	1,839,362
Leigh Ryan	3,000,000	Nil

No other transactions with key management personnel have occurred during the period.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: RELATED PARTY DISCLOSURE (cont'd)

Agreements with Executive Directors

The Company has entered into consultancy services agreements with Christopher Kain (together with Okha Pty Ltd, an entity controlled by Christopher Kain) and Anthony Kain (together with Cicak Pty Ltd, an entity controlled by Anthony Kain) (Consultants) (Consultancy Services Agreements). The material terms of the Consultancy Services Agreements are as follows:

- (a) Term: two years from the date of readmission of the Company to the ASX after completion of the Acquisition;
- (b) Remuneration:
 - a. *Anthony Kain* - \$15,000 per month (exclusive of GST), paid to Cicak Pty Ltd, based on minimum work commitment of 35 hours per week;
 - b. *Christopher Kain* - \$20,000 per month (exclusive of GST), paid to Ohka Pty Ltd, based on a minimum work commitment of 35 hours per week;

Further to this, the Company agrees to reimburse the Consultants all reasonable expenses incurred in the performance of their services;

- (c) Non-cash benefits: the Consultants may be granted non cash incentive benefits subject to shareholder approvals or a performance based bonus subject to shareholder approvals;
- (d) Restraint of trade: upon termination of the Consultancy Services Agreements, the Consultants will be subject to a restraint of trade period of up to 2 years; and
- (e) Termination: the Company and Consultants may terminate the respective Consultancy Services Agreements without cause by giving the other party notice of 12 months.

Agreements with Non-Executive directors

The Company has entered into non-executive services agreements with Matthew Cahill and Leigh Ryan (Non-Executive Services Agreements).

The material terms of the Non-Executive Services Agreements are as follows:

- (a) Remuneration: remuneration at the rate of \$30,000 per annum plus superannuation together with:
 - a. an entitlement to fees or other amounts in relation to special duties or service performed outside the scope of ordinary employment as a director;
 - b. reimbursement for out of pocket expenses incurred as a result of engagement as a director.
- (b) Termination: Non-Executive Directors may retire at any time and are subject to re-election at the annual general meeting of shareholders in accordance with the Company's policy of at least one third of the Non-Executive Directors being nominated for re-election each year based on the Company's rotation schedule.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: RELATED PARTY DISCLOSURE (cont'd)

The Non-Executive Services Agreement for Leigh Ryan extinguishes all other rights and entitlements held by Leigh Ryan or owed by the Company under the executive employment contract between the Company and Leigh Ryan, dated 6 December 2013, except for Leigh Ryan's entitlement to 2,000,000 Company shares pursuant to that contract. Please see note 9 for further details.

Non-Executive Director and Incentive Agreement

The Company entered into a non-executive director and Incentive agreement with Mr Vincent Power.

The material terms of the agreement were as follows:

- (a) Engagement scope: Mr Power was engaged by the Company to:
 - a. achieve its initial goal of being cash flow positive within 12 months of his appointment;
 - b. develop strategy and international alliances for the Company in accordance with Company objectives; and
 - c. to develop an interest in shares in the Company as a result of business introduced.
- (b) Term: The agreement to run for an initial term of 12 months.
- (c) Remuneration:
 - a. The right for Mr Power or his nominee to earn up to a maximum of 30,000,000 fully paid ordinary shares in the Company over the three year period from re-admission to the ASX based on 7.5% of profit which the Company makes from business it agrees Mr Power has introduced;
 - b. a monthly retainer by way of a consulting fee of \$3,500 per month for a minimum commitment of 50 hours per month;
 - c. remuneration at the rate of \$30,000 per annum for services as a non-executive director together with an entitlement to fees or other amounts in relation to special duties or service performed outside the scope of ordinary employment as a director;
 - d. reimbursement for out of pocket expenses incurred as a result of engagement as a director.

(b) Loans with related parties

In May 2015, the Company entered into loan agreements with shareholders totalling \$500,000. Under the loan agreements, interest accrues at a fixed rate of 12% per annum. The loans plus the accrued interest were converted into shares in Peppermint Technologies Limited before the reverse takeover (see note 2).

NOTE 9: SHARE BASED PAYMENT

Under the terms of Leigh Ryan's employment contract, performance shares previously issued vested upon the takeover of the Company. 2,000,000 shares were issued at the issue price of \$0.02 per share in accordance with the prospectus.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

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

NOTE 11: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities as required in the consolidated financial statements approximate their fair values.

NOTE 12: DIVIDENDS PAID OR PROPOSED

No dividends were paid or declared during the half year ended 31 December 2015.

NOTE 13: CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities as at reporting date.

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

In the opinion of the directors of Peppermint Innovation Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.



Mr Christopher Kain
Managing Director
16 March 2016



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

We have reviewed the accompanying half-year financial report of Peppermint Innovation Limited which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peppermint Innovation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

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

Basis for Qualified Conclusion

As at 31 December 2015, the consolidated entity includes two controlled entities, Horizon Copper Zambia Limited and Sedgwick Resources Limited, in the Republic of Zambia, which had combined total assets of \$53,621 and total liabilities of \$35,747. We were unable to obtain sufficient appropriate evidence about the completeness of liabilities and contingences within those two controlled entities because the directors of the company have been unable to obtain audited financial statements for the half-year ended 31 December 2015. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

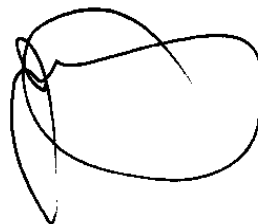
Qualified Conclusion

Based on our review, which is not an audit, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Peppermint Innovation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



JAMES KOMNINOS
Partner

Perth, WA
Dated: 16 March 2016