

Business Plan

University: QUT
Contact Person: Scott Rigby

Dated: Monday, 17 December 2007

Copy #___ of ___ printed

EXECUTIVE SUMMARY

Online peer-to-peer (P2P) lending is projected to grow from a \$300 million market to over 5 billion in loan originations by 2010. (Banking Strategies, 2007)

Peer-to-peer social lending provides an opportunity for start-ups requiring seed capital, growing SME's (small medium enterprises) and consumers who require monies with a less than perfect financial background to obtain a loan using our open market trading platform. We plan to target the \$2500-\$25k loan market to allow investors to invest in borrower's loans to gain double digit returns that are not received by saving at mainstream institutions.

PeerMint Australia Pty Ltd is seeking to partner with an investor to raise an additional US\$540,000 at this time. This will provide working capital to fund the first year's development, operation costs and accelerate market development.

Peer-to-peer social lending has been available for 18 months in the UK and US and has taken off with more than US\$100 million being lent out in less than 18 months. The re-emergence of Social Lending is a significant development within the financial sector and a direct response to social trends. The authenticity and transparency of the exchange represent an enhanced financial service

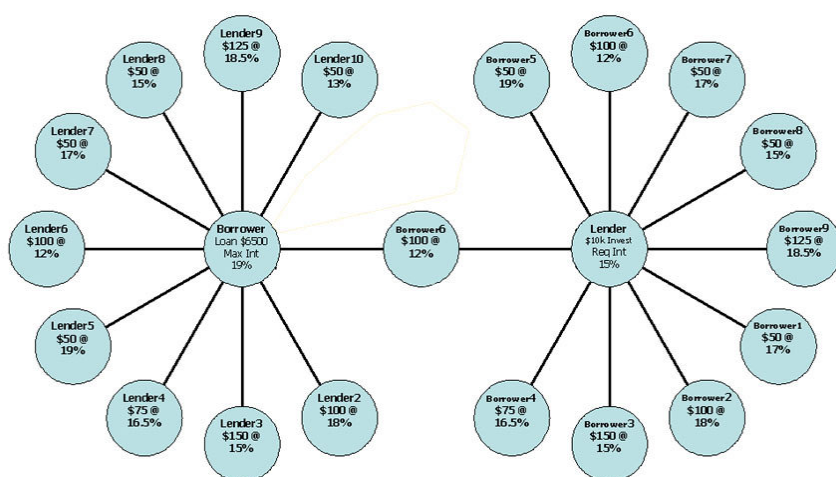


underpinned by the experience of lending and borrowing directly between people.

Unsecured debt in Australia hit a new high recently with over A\$18 billion being spent on credit cards in a single month (September 2007) with the total owed on credit cards being A\$40 billion.

Lenders

PeerMint provides Lenders a means to earn a better rate of interest than they would normally receive through mainstream financial institutions. Furthermore, it allows lenders to choose the risk and return of their lending based on the loans they choose themselves.



Diversification Portfolio Options for Investors



start my
own business

pay off
my debts

buy my
first car

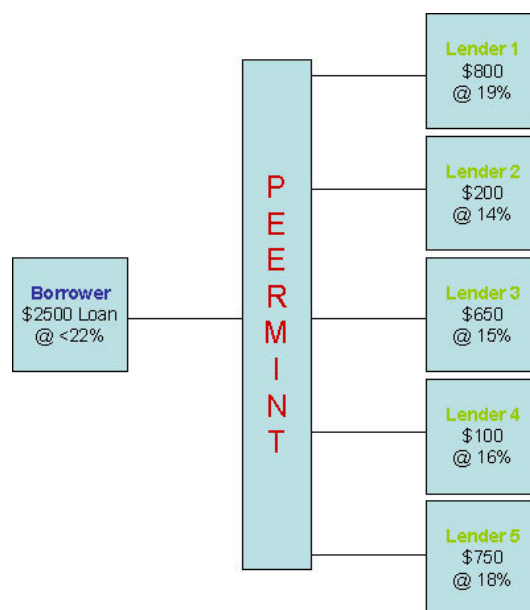
pay for my
son's education³

PeerMint allows lenders to selectively choose loan requests, which they believe will fulfil their ethical, philanthropic, altruistic and self-empowering needs.

Furthermore, it is a service, which is not corporate and has the potential to be beneficial for the community in which they live. The average loan rate is 16.3% with expected defaults between 0.2%-4.2% (based on research on operations in the US and UK), which will lead to an expected return of 12.2% using a diversification strategy.

Borrowers

PeerMint provides borrowers with an alternate source for borrowing money and assists people who are disenfranchised with the mainstream lending community. It provides borrowers with a means for them to sell their story and gives them the potential to obtain a loan at a lower rate they can afford.



PeerMint loan origination model



start my
own business

pay off
my debts

buy my
first car

pay for my
son's education⁴

Our Objectives

PeerMint's primary objectives for the next year are to:

- Launch the website and brand to the public initially in Australia, Canada and New Zealand respectively.
- Ensure we have the necessary financial regulatory approvals.
- Source outside investment for the launch of the website from a business angel or venture capital firm.
- Create awareness of the business through public relations, publicity stunts, personal selling, networking through associations, industry contacts and the website.

Our Approach

PeerMint has a top management team from Wotif that is experienced in being a first market mover and we would use similar strategies to dominate again with a new product. PeerMint will promote its services through public relations, user generated word of mouth forums and through its website. Research has shown that 80% of social lending members found out about it via online articles.

PeerMint will rely primarily on public relations initially to launch the site. In addition, the website will encourage users to setup groups and obtain recommendations from friends and family when applying for a loan to increase the ability for it to be acquired. Group owners will have a financial incentive for



introducing new borrowers. This should assist in raising brand awareness via word of mouth.

PeerMint generates revenue by collecting a one-time 1% or 2% fee on funded loans from borrowers, and assessing a 0.5% or 1.0% annual loan-servicing fee to lenders.

Our Qualifications

Scott Rigby, CEO, has 10 years experience in online development, project management and general management. Scott is currently a marketing and product strategist consultant to the CEO of Wotif.com.

Simon McBride, CIO, has 11 years of experience in the IT industry and is currently a Project Manager for the CSIRO, where he oversees multi-million dollar projects in research and development, support and strategy.

Rupalee Patel, General Manager - Marketing, is a marketing/Public Relations executive with 8 years experience in corporate communication and business management. We are in the process of employing a CFO.

Discussion of Projected Net Income

Revenue is projected to increase from \$147,773 in 2008 to \$3,062,582 in 2010.

Net income is projected to be (\$209,148) in 2008, rising to \$1,556,567 in 2010.



This represents a yearly growth of 568% and 158% in Years 2 and 3 respectively. These growth assumptions are based on the growth patterns exhibited by competitor sites in the UK and US, taking into account population size and online banking penetration.

Capital Raising

PeerMint Australia Pty Ltd is seeking a total of US \$540,000 in funding, and in return will offer a 14.7% equity stake. This is an exciting venture that will prove to be both financially profitable and socially responsible; the management team looks forward to further discussion with investors.

	Total \$	\$ per Share	% of Co.	Milestone
Round 1	\$340,000	\$0.20	9.3%	Completed business plan Software in development Compliance reviews Elected chairman Joined iLab Mentors: VC, Legal, Branding
Funding Required:				
Legals	\$240,000			
Wages	\$20,000			
Development	\$80,000			
Round 2	\$200,000	\$0.20	5.4%	Compliance R&D completion Roll out country 1,2,3 Reach sales target within 20%
Funding Required:				
Marketing	\$68,000			
Wages	\$132,000			
Round 3	Yet to be determined			
Funding				
Total	\$540,000		14.7%	

Funding requirements & Milestones

