FIRST GROWTH FUNDS LIMITED (CSE:FGFL)
Management Discussion and Analysis
For the nine months ended March 31, 2021

(All values are expressed in Australian dollars unless otherwise specified)

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1.1 – Date and Basis of Discussion & Analysis

This management discussion and analysis ("MD&A") is dated as of February XX, 2021 and should be read in conjunction with the interim financial statements for the six months ended December 31, 2020 and audited annual financial statements of First Growth Funds Limited for the year ended June 30, 2020 ("the Financial Statements"). The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless expressly stated otherwise, all financial information is presented in Australian dollars.

1.2 – Corporate information

Business Structure

The Company, was incorporated on October 14, 1986 under the *Corporations Act* (Australia) with Australian company number ("ACN") 006 648 835 It went through several name changes: and on March 29, 2011 the name was changed to the current name, First Growth Funds Limited. Its head office and registered offices are located at Level 14, 440 Collins Street Melbourne, Victoria 3000, Australia.

Wholly owned Subsidiary companies:

1) ICO-AN Pty Ltd., incorporated on November 17, 2017 pursuant to the *Corporations Act* (Australia).
2) First Growth Advisory Pty Ltd., ("FGA") incorporated December 8, 2018 pursuant to the *Corporations Act* (Australia).

Nature of Business

First Growth Funds Limited invests across a broad range of asset classes including listed equities, private equity, blockchain and digital assets. The company also operates an advisory business providing corporate advisory, capital raising and capital markets support to its portfolio.

<u>Investment mandate</u>

Investment Restrictions and Requirements and Voluntarily Adopted Investment Measures

In order to address certain securities regulatory or public interest policy objectives, the Company has voluntarily adopted a number of measures that will define the Company and the scope of its operations. These voluntarily adopted measures include:

The Company has established the following restrictions:

(i) will not invest more than 15% of its portfolio in any one entity.

(ii) plans to allocate 50% or more in listed securities and up to 50% in unlisted securities (including Blockchain and digital assets).

(iii) will use 32% of its portfolio as a guide to investments in Digital Assets and unlisted equity Blockchain entities. The Board may adjust this figure over time. If one of the Digital Assets or Blockchain companies valuation rises too high that skews the portfolio, the board will use its best efforts to find liquidity and adjust the portfolio accordingly.

(iv) an officer or director of the Company may become an independent director of the investee company in order to monitor the progress of the investee company more closely.

(v) will seek shareholder approval to any proposed changes to the fundamental investment objectives, despite not being an investment fund within the meaning of applicable securities laws.

(vi) will ensure that at least half of the directors are independent.

(vii) in its continuous disclosure documents disclose fundamental changes to the Company including details of the Company's investment objectives and investment restrictions and management fees and performance fees if applicable.

(viii) until it has invested at least 75% of the $3,200,000 allocated for new investments, it will provide summary financial information for its investment.

(ix) will make its best efforts to invest of the $3,200,000 allocated for new investments in the 12 months following listing on the CSE. However, this schedule may be altered depending on ongoing review of investment opportunities.

Bankruptcy, Receivership, Receiverships, Restructuring

There have not been any bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings, material restructuring transactions by the Company or any of its subsidiaries, any within the two most recently completed financial years.

Social, Environmental Polices, Seasonal Issues

There are no social and environmental policies or seasonal and environmental issues that have or are expected to affect the Company and its business.

Material Restructurings

There have not been any material restructuring of the Company in the last three years.

Acquisitions

See "*Description of the Business"*

Trends

See "*Description of the Business"*

DESCRIPTION OF THE BUSINESS

Overview

First Growth Funds Limited invests across a broad range of asset classes including listed equities, private equity, blockchain and digital assets. The company also operates an advisory business providing corporate advisory, capital raising and capital markets support to its portfolio.

Under Australian Corporations Law, any company engaged in dealing with securities needs to either (i) hold an AFSL license or (ii) be registered as a Corporate Authorized Representative of an AFSL holder. The Company presents investment opportunities to accredited investors in Australia for which it earns commission fees and is licensed for this activity pursuant to its arms-length agreement dated December 31, 2018 with SLM Corporate Pty. Ltd.

Investment portfolio

The Company manages an active portfolio listed and unlisted securities across international borders and various industries including technology, medical, mining and oil and gas sectors. Investments actions include on-market trading and also participation in pre or post IPO placements. In some cases the Company earns placement facilitation advisory fees.

(All values are expressed in Australian dollars unless otherwise specified)

Asset Allocation

Set out below is the asset allocations as at June 30 2020, as at 31 December 2020 and 31 March 2021.

Asset type	Note	As at Jun 30, 2020		As at Dec 31, 2020		As at Mar 31, 2021	
		$	%	$	%	$	%
Cash		4,349,321	47.7%	2,297,952	30.38%	1,046,661	11.65%
Current financial assets (listed)		3,126,095	34.2%	2,998,421	39.64%	5,726,591	63.75%
Current financial assets (unlisted)	i	-	0.00%	501,126	6.62%	500,956	5.58%
Non-current financial assets (unlisted)		1,608,557	17.6%	1,720,045	22.74%	1,660,949	18.49%
Inventories	ii	47,200	0.5%	47,200	0.62%	47,200	0.53%
Total		9,131,173	100.0%	7,564,744	100.00%	8,982,357	100.00%

Notes

i. Current financial assets unlisted include convertible notes issued by YPB Systems Limited (ASX:YPB) expiring on October 21, 2021.
ii. Inventories comprise Cryptocurrency (Ethereum tokens) held for resale and carried at cost. The Ethereum tokens at the date of reporting have a net realisable value in excess of $500,000.
iii. As at March 31, 2021 new investments during the fiscal year totalled $4,199,021.

Material Agreements

No new material agreements were entered into during the quarter ending December 31, 2020.

1.3 – Selected Annual Information – not applicable

(All values are expressed in Australian dollars unless otherwise specified)

1.4 – Results of Operations

Quarters Ended	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
Income (Loss) from continuing operations								
Revenue	47,000	56,000	2,800	259,835	-	45,455	-	97,253
Direct costs	-	-	-	(251,705)	-	-	-	(96,621)
Net income (loss) from continuing operations	47,000	56,000	2,800	8,130	-	45,455	-	632
Income (Loss) from investments								
Interest revenue	12,727	14,111	15,723	23,588	23,577	25,712	22,783	108,211
Dividend revenue	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	1,546,470	(766,778)	(204,130)	1,744,558	534,666	(56,649)	575,897	(826,396)
Asset impairments	100,243	3,194	-	(638,252)	-	-	-	(2,089,867)
Other gains and losses	(3,275)	(10,286)	(6,955)	(18,809)	3,182	-	-	1,146,592
Net income (loss) from investments	1,656,165	(759,759)	(195,362)	1,111,085	561,425	(30,937)	598,680	(1,661,460)
Net income (loss)	1,703,165	(703,759)	(192,562)	1,119,215	561,425	14,518	598,680	(1,660,828)
Operating expenses								
AFSL support fees	9,000	9,000	9,000	9,000	8,568	9,185	9,247	9,123
Director related costs	112,500	117,500	120,000	120,000	120,000	118,558	121,442	181,301
Director- share based payments	-	-	-			-	-	-
Insurance and professional fees	152,355	133,410	116,652	159,012	104,478	189,110	142,957	183,033
Listing and share registry fees	10,615	39,215	14,749	52,147	-	13,304	33,944	15,519
Travel expenses	-	-	-	(431)	-	17,539	39,595	54,082
Other expenses	12,081	14,416	11,954	6,364	35,165	45,081	5,234	53,975
Total operating expenses	296,551	313,541	272,355	346,092	268,211	392,777	352,419	497,033
Comprehensive Income (Loss)	1,406,614	(1,017,300)	(464,917)	773,123	293,214	(378,259)	246,261	(2,157,861)
Basic and diluted earnings cents per share (adjusted)**	1.808	(1.308)	(0.598)	0.969	0.402	(0.486)	0.317	(2.774)
Weighted average number of ordinary shares (adjusted)**	77,798,218	77,798,218	77,798,218	77,798,218	77,798,218	77,798,218	77,798,218	77,798,218

** On December 2 2019, the company completed a share consolidation of 1 new ordinary share for every 20 shares on issue

Three months ended March 31, 2021

Net comprehensive profit after income tax was $1,406,614 (2020: $293,214). In the previous quarter ended December 31, 2020, the reported loss was $1,017,300.

During the three months ended December 31, 2020, the Group:

- recorded net income from continuing operations of $47,000 (2020: Nil) relating to advisory fees.
- recorded net investment income of $1,546,470 (2020: $534,666). Net investment income includes $1,672,169 (2020: Nil) fair value gains relating to the Magnum Mining and Exploration Limited (ASX:MGU) shares and options acquired during January and February 2021.
- incurred operating expenses of $296,551 (2020: $268,211) The increase over the prior corresponding period largely relates to additional consulting fees paid to Canadian based corporate, investor and public relations advisors..

Six months ended December 31, 2020

Net comprehensive loss after income tax was $75,603 (2020: $161,216 profit).

During the nine months ended March 31, 2021, the Group:

- recorded net income from continuing operations of $105,800 (2020: $45,455). The current and prior period income largely relates to advisory fees.
- recorded net investment income of $575,562 (2020: $1,053,914). Net investment income includes:
  - $1,301,212 fair value losses against the Group's 14.4% interest in SQID Technologies Limited (CSE: SQID), and
  - $1,672,019 fair value gains in the Group's investment in Magnum Mining and Exploration Limited (ASX:MGU). The Group holds a 5.3% interest in MGU issued shares plus options.
- incurred operating expenses of $892,447 (2020: $1,013,407). The decrease in the current reporting period is largely due to one off prior period legal, advisory and travel costs attributable to the CSE listing application, partly offset by additional consulting fees paid Canadian based corporate, public and investor relations advisors appointed during the reporting period.

Cash at the end of the reporting period was $1,046,661 (30 June 2020: $4,349,767). The decrease in cash balances of $3,303,106 is largely due to on-going investments in listed and unlisted financial assets. The major investments during the reporting period include:

- unlisted: $452,641 was invested in the Canadian based Vello Technologies Inc. ("Vello") for a 14.6% interest in the issued shares plus options/warants. Vello provides a fintech platform for social media that allows celebrities and influencers the opportunity to charge access for their premium content on social media.
- listed:
  - $1,058,459 was invested in Magnum Mining and Exploration Limited (ASX:MGU). MGU has secured major permits for the long-term production of a high-grade magnetite concentrate grading +67.5% Fe. The project is well situated to existing rail, power and port facilities. The Group holds a 5.3% interest in MGU issued shares plus options,
  - $430,000 was invested in SportsHero Limited (ASX:SHO). SportsHero is an e-sports company with 2.7 million users,including 586,294 new users during January. The Group holds 15.3m (3.2%) SHO shares plus a further 7.67m options, and
  - 316,337 was invested in Jadar Resources Limited (ASX:JDR) which holds a diversified portfolio of mining assets in Lithium, Gold and Silver.

(All values are expressed in Australian dollars unless otherwise specified)

1.5 – Summary of Quarterly Financial Position

As at	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
Current Assets								
Cash and cash equivalents	1,046,661	2,297,952	3,468,203	4,349,767	2,793,980	3,221,037	3,095,294	2,255,897
Trade and other receivables	5,069	5,071	13,229	12,704	4,342	12,319	15,862	78,896
Inventory (cryptocurrencies)	47,200	47,200	47,200	47,200	937,156	685,452	685,452	685,452
Financial assets	6,227,547	2,998,421	3,680,251	3,126,095	2,999,964	1,559,547	2,049,695	2,560,894
Intangible assets	-	-	-	-	109,217	109,217	109,217	210,086
Other current assets	15,160	28,496	47,301	11,328	21,418	32,663	32,956	-
Total Current Assets	7,341,637	5,377,140	7,256,184	7,547,094	6,866,077	5,620,235	5,988,476	5,791,225
Non-Current Assets								
Financial assets	1,660,949	2,221,171	1,427,635	1,608,567	1,460,783	2,448,057	2,484,162	2,451,486
Intangible assets	-	-	-	-	0	0	-	-
Goodwill	-	-	-	-	-	-	-	-
Total Non-current Assets	1,660,949	2,221,171	1,427,635	1,608,567	1,460,783	2,448,057	2,484,162	2,451,486
Total Assets (Note 1)	9,002,586	7,598,311	8,683,819	9,155,661	8,326,860	8,068,292	8,472,638	8,242,711
Liabilities								
Current Liabilities								
Accounts payable	50,209	52,548	120,756	127,681	72,003	106,649	132,736	149,070
Total Current Liabilities	50,209	52,548	120,756	127,681	72,003	106,649	132,736	149,070
Total Liabilities	50,209	52,548	120,756	127,681	72,003	106,649	132,736	149,070
Net Assets	**8,952,377**	**7,545,763**	**8,563,063**	**9,027,980**	**8,254,857**	**7,961,643**	**8,339,902**	**8,093,641**
Equity								
Share Capital	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788
Reserves	0	-	-	-	0	19,156	19,156	19,156
Retained Earnings	(58,683,411)	(60,090,025)	(59,072,725)	(58,607,808)	(59,380,931)	(59,693,301)	(59,315,042)	(59,561,303)
Total Equity	**8,952,377**	**7,545,763**	**8,563,063**	**9,027,980**	**8,254,857**	**7,961,643**	**8,339,902**	**8,093,641**

During the quarter cash balances decreased by $1,251,291 to $1,046,661. The decrease comprises outflows relating to the net increase in financial assets and the costs of doing business.

1.6 – Liquidity and Capital Resources

As at March 31, 2021, the Company had current assets totalling $7,341,637 (June 30, 2020: $7,547,094).

Shareholder's equity as at March 31, 2021 was $8,952,377 (30 June 2020: $9,027,980).

1.7 – Off Balance Sheet Arrangements

As at March 31, 2020, there were no off-balance sheet arrangements to which the Group was committed.

(All values are expressed in Australian dollars unless otherwise specified)

1.8 – Transactions with Related Parties

The Company has identified its directors and senior officers as its key management personnel. The following table provides the total amount of related party transactions and balances.

	Nine months ended	
Transactions**	**Mar 31 2021 $**	**Mar 31 2020 $**
Director fees (Parent)***		
Anoosh Manzoori	180,000	180,000
Geoff Barnes	45,000	45,000
Michael Clarke	45,000	45,000
Athan Lekkas	45,000	45,000
Other director fees (wholly owned subsidiaries)	35,000	45,000
	350,000	360,000
Advisory - Dalext Pty Ltd. (2	60,000	60,000

*** Director fees and Director related advisory fees are included in the Consolidated Statements of Comprehensive Income (Loss) included under the respective headings of Director Related Costs and Insurance and Professional fees.*

**** Director fees are paid to director-controlled entities*

No post-employment benefits, other long-term benefits and termination benefits were paid during the six months ended December 31, 2020 and 2019.

Balances	**Mar 31 2021 $**	**30 June 2020 $**
Accounts Payable		
Polygon Fund Pty Ltd. (1)	-	20,000

(1) Polygon Funds Pty Ltd is a company controlled by Anoosh Manzoori, a FGF director.

(2) Dalext Pty Ltd. is a company controlled by Athan Lekkas, a FGF director.

Ordinary shares held by directors

Name**	**Opening balance**	**Movements**	**Balance as at Mar 31 2020**	**Balance in escrow*****
Geoff Barnes	6,400,000	-	6,400,000	4,800,000
Michael Clarke	751,516	-	751,516	563,367
Athan Lekkas	2,037,274	-	2,037,274	1,527,954
Anoosh Manzoori	4,846,756	-	4,846,756	3,635,067
	14,035,546		**14,035,546**	**10,526,658**

*** Balances held by directors and/or director-controlled entities.*

**** The director holdings became subject to an Escrow Agreement upon the shares being listed on the Canadian Securities Exchange*

(All values are expressed in Australian dollars unless otherwise specified)

The directors do not hold any options.

Other director positions held by directors

Director	Other directorships held	FGFL Relationship	Other transactions or balances
Michael Clarke Athan Lekkas	SQID Technologies Limited (CSE:SQID) SQID Technologies Limited (CSE:SQID)	FGFL holds a 14.2% interest in SQID	Nil
Michael Clarke Athan Lekkas	Icon Esports Pty Ltd Icon Esports Pty Ltd	Effective from February 1 2021, SQID holds a 50% interest in ICON	Nil
Anoosh Manzoori	Constellation Technologies Limited (ASX:CT1)	FGFL holds a 2.2% interest in CT1 plus unlisted options representing a potential 1.1% interest	Nil

1.9 Fourth Quarter – not applicable

1.10 – Proposed Transactions

The Group has no proposed transactions as at the date of this document.

1.11 – Critical Accounting Estimates

There have been no changes in during the reporting period.

Refer to note 2(l) of the June 30, 2020 Audited Annual Financial Statements.

1.12 – Changes in Accounting Policies – International Financial Reporting Standards ("IFRS")

There have been no changes in accounting policies during the reporting period.

1.13 – Financial Instruments and Other Instruments

Part A Financial Risk Management

Financial risk management objectives

The Group's activities expose it to a number of financial risks, including market risk, credit risk and liquidity risk. The Group's management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group, mindful of the cost of such measures and the competing demands of other investment. Risks are monitored through the use of sensitivity analysis for interest rate and foreign exchange risks and aging analysis for credit risk.

The Group identifies and evaluates mitigation activities for risk and to develop policy for risk management across all Group operations pursuant to written risk management principles approved by the Board.

Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk:

- Currency risk
- Price risk
- Interest rate risk

(All values are expressed in Australian dollars unless otherwise specified)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments would fluctuate due to changes in foreign exchange rates. The Group is not exposed to any significant foreign currency risk.

Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and are classified in the balance sheet as listed and unlisted equities at fair value through profit or loss.

Based on this exposure, had the share prices increased or decreased by 10% (June 2020: 10%) the impact on the Group's loss before tax and net assets would have been:

31 Mar 2020		***Increase 10%***		***Decrease 10%***
	Impact on profit before tax	***Impact on equity***	***Impact on profit before tax***	***Impact on equity***
Listed securities	572,659	572,659	(572,659)	(572,659)
30 June 2020		***Increase 10%***		***Decrease 10%***
	Impact on profit before tax	***Impact on equity***	***Impact on profit before tax***	***Impact on equity***
Listed securities	312,625	312,625	(312,625)	(312,625)

Interest rate risk

Interest rate risk arises from the Group's interest-bearing financial assets and liabilities. The Group carries cash balances with major Australian Banks which are exposed to variable interest rates. The major Australian Banks all have Standard & Poor's credit ratings of AA-. The Australian Reserve Bank cash rate is less than 1%, accordingly the impact of a 10% movement in interest rates is deemed immaterial. The Group does not currently carry financial liabilities with variable interest rates.

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument creating a financial loss. Credit risk arises from cash and cash equivalents, deposits with banks and through exposures to wholesale and retail customers.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group has a total credit risk exposure of $500,956 (June 2020: $743,751) on its convertible notes invested with various parties at reporting date.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Liquidity risk is the risk that the Group's operational performance will be adversely affected through the failure to satisfy an obligation for settlement of a financial transaction within contractual terms or that operational decisions made to ensure sufficient funding is available to meet such settlement will adversely affect the value of financial assets (including sale of financial assets at values less than their fair market values). The Group's predominant exposure to liquidity risk is through investments in overseas start-up businesses which can experience significant volatility whilst in their infancy.

(All values are expressed in Australian dollars unless otherwise specified)

Remaining contractual maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the amortised cost of discounted cash flows of the financial instruments stated on the statement of financial position:

31 Mar 2020	*1 year or less* $	*Between 1 and 2 years* $	*Between 2 and 5 years* $	*Over 5 years* $	*Remaining contractual maturities* $
Non-derivatives					
Non-interest bearing					
Trade and other payables	50,209	-	-	-	50,209
Total non-derivatives	50,209	-	-	-	50,209

30 June 2020	*1 year or less* $	*Between 1 and 2 years* $	*Between 2 and 5 years* $	*Over 5 years* $	*Remaining contractual maturities* $
Non-derivatives					
Non-interest bearing					
Trade and other payables	127,681	-	-	-	127,681
Total non-derivatives	127,681	-	-	-	127,681

Part B Fair Value Measurement

Refer to note13 of the December 31, 2020 Condensed Interim Consolidated Financial Statements (Unaudited).

1.14 – Other MD&A Requirements

Share Capital

There were no changes in Share Capital during the reporting period.

Share Options

Details of options issued during the reporting period are set out below:

	Number on issue
Balance, July 1, 2020	Nil
Movements during the period	
Advisor options granted	1,000,000
Balance, December 31, 2020	1,000,000

The options granted during the period form part of the consideration for services rendered under investor relations and corporate advisory consulting arrangements. Each option carries the right to acquire one fully paid ordinary share. The terms attached to the options are set out below:

.	**Tranche 1**	**Tranche 2**
Grant date	August 4 2020	August 6 2020
Number granted	500,000	500,000
Exercise price (Canadian dollars)	$0.28	$0.28
Expiry date	August 4 2021	August 6 2021

The fair value of the options is nil.

1.15– Subsequent events

Nil.

No other matters or circumstances have arisen since the end of the reporting period that have significantly affected or may have a significant effect on the financial operations of, the financial performance of those operations, or the financial position of, the consolidated entity, in the subsequent reporting period.

RISK FACTORS AND UNCERTAINTIES

An investment in the Ordinary Shares of the Company should only be made by persons who can afford a significant or total loss of their investment.

Risk of No Return on Investment: There is no assurance that the business of the Company will continue to be operated successfully, or that the business will continue to generate sufficient or any income to meet its obligations. There is no assurance that an investment in the Ordinary Shares will earn a specified rate of return or any return over the life of the Company.

Uncertainty of Additional Financing: There are no assurances that the Company's future working capital will be adequate to execute its business plan or objectives as contemplated herein. The Company does not have any commitments to obtain additional financing and if required in future, there is no assurance that the Company will be able to arrange for such financing, or that such financing will be available on commercially reasonable terms. The failure to obtain such financing on a timely basis could have a material adverse effect on the Company. Equity financing and the additional issuance of equity securities will result in the substantial dilution to the Company's shareholders.

Global Financial Conditions: Global financial conditions over the last few years have been characterized by volatility and the bankruptcy of several financial institutions or the rescue thereof by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favorable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of the Ordinary Shares may be adversely affected

Risks Specific to the Company

Reliance on the Directors and Officers: The Company has a small management team composed of the directors and the unexpected loss of any of these individuals would have a serious impact on the business. They are responsible for the successful operation of the Company. At present, there is no key-man insurance in place for any members of the management team. The loss of services of any of these personnel to develop the business and make appropriate decisions in respect of the management thereof could have a material adverse effect on the business of the Company.

Covid 19 Virus Disruption: The Company operates in three areas: (i) it provides advisory services to listed and unlisted companies, (ii) it is licensed in Australia to present investment opportunities to accredited investors in Australia and earn commission fees and invests across a diversified portfolio of different asset classes. These three items are all affected as the companies involved in each area are likely to be negatively affected directly or indirectly by the Covid 19 Virus.

Conflicts of Interest: The directors and officers of the Company are not in any way limited or affected in their ability to carry on other transactions or business ventures for their own account or for the account of others, and may be engaged in the ownership, acquisition and operation of businesses, which compete with the Company. Investment in the Company will not carry with it the right for either the Company or an investor to invest in any investment or venture of the directors and officers of the Company, or to any profit therefrom or to any interest therein. The directors have a responsibility to identify and acquire suitable investments on behalf of the Company. To the extent that an opportunity arises to enter into such an agreement, the directors of the Company have the discretion to determine whether the Company will avail itself of the investment opportunity and, if it does not, any of the directors of the Company will be able to decide amongst themselves whether to pursue the opportunity for their respective accounts. If the investment opportunity did not arise solely from their activities on behalf of the Company, the directors of the Company have no obligation to offer an investment opportunity to the Company. Future conflicts of interest will be dealt with in accordance with applicable laws, statutes and regulations.

RISK FACTORS AND UNCERTAINTIES (cont.)

Operational Risks: The Company will be affected by several operational risks against which it may not be adequately insured or for which insurance is not available, including: catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labour disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. The Company may also be subject to or affected by liability or sustain loss risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Technology Risk: **T**he Company's Blockchain and Digital Currency assets use advanced technologies, which are susceptible to rapid technological change and there is no assurance that adequate responses will be made in a timely manner to successfully overcome the technological challenges and changes.

Digital Assets Risks: Lack of regulation, acceptance, price stability and volatility.

Lack of Regulation: Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure To the extent that Cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in Cryptocurrency prices. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. In the past several years, a number of Cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed exchanges were not compensated or made whole for the partial or complete losses of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Lack of Acceptance: Traditional banks and banking services may limit or refuse the provision of banking services to businesses that supply Cryptographic or Cryptocurrencies as payment and may refuse to accept money derived from Cryptocurrency-related businesses. This may make management of bank accounts held by companies operating in the field difficult.

Competition: All aspects of the Digital Currency and Blockchain industries – in particular the development of pre-ICO, ICOs, digital currency security providers and digital currency exchanges face significant competition. The rapid pace of innovation and development within the industry, together with the high number of competitors and relatively low barriers to market entry mean there is no guarantee the Company's ventures in these industries will be effective or profitable. Refer to the Company's prospectus to which this MD&A is attached for a list of competitors.

Legal and Regulatory Risk: A key concern often raised about digital currency is its ability to hinder or evade law enforcement and facilitate criminal activity due to users being anonymous and the transactions are outside the usual channels of international finance and government regulation. It is unclear what the regulatory response will be and whether that response will seriously impact the digital current market.

RISK FACTORS AND UNCERTAINTIES (cont.)

Valuation and Price Volatility of Cryptocurrencies: Cryptocurrency prices are highly volatile, can fluctuate substantially and are affected by numerous factors beyond the Company's control, including hacking, demand, inflation and expectations with respect to the rate of inflation, global or regional political or economic events. Cryptocurrencies may be subject to momentum pricing, which is typically associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of Cryptocurrencies, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Company's investments.

Management of Growth: The Company may experience a period of significant growth that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and directors to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train motivate and manage additional future staff. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations. There are no plans to hire additional staff at this time.

Increases in Competition: There is significant competition from other much larger well-established successful investment companies with larger staff and resources to evaluate investment opportunities, in particular established financial institution such as banks. There is no assurance that the Company's investment strategy will be successful or more successful that its competition. Any material deterioration in the Company's competitive position could materially adversely affect the Company's business, operating and financial performance.

Exposure to Adverse Macroeconomic Conditions: The Company is exposed to changes in general economic conditions in Australia and internationally and is affected by macroeconomic conditions such as tariffs and other trade barriers, economic recessions, downturns or extended periods of uncertainty or volatility all of which may materially adversely affect the Company's business, operating and financial performance.

Acquisition Risk and Associated Risk of Dilution: The Company's possible expansion strategy includes pursuing acquisitions. The successful implementation of acquisitions will depend on a range of factors including acquisition costs, funding arrangements, business cultural compatibility and operational integration. To the extent acquisitions are not successfully integrated with the Company's existing business, the financial performance of the Company could be materially adversely affected. Future acquisitions may involve the issue of Ordinary Shares for consideration. In this event, Shareholders' interests will be diluted. Ordinary Shares may also be issued for other purposes such as debt reduction. Effective due diligence by the Company is ongoing to minimize the risk in integrating acquisition targets although this cannot be guaranteed. There are no specific acquisitions proposed at this time.

Currency Exchange Risk: The Company is exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations. In particular, exchange rate fluctuations may affect the value of its assets located in North America and Cryptocurrencies are generally sold in U.S. dollars.

Unforeseen Expenses: All expenses that the Company is aware of are taken into account. There is a risk that unforeseen expenses may develop which could materially negatively affect the business operations.

Permits and Government Regulations: There are currently no permits or government regulations in Australia that affect the Company's operations beyond business license requirement and the requirements of the Corporations Act, 2001.

RISK FACTORS AND UNCERTAINTIES (cont.)

Environmental and Safety Regulations and Risks, Climate Change: There are currently no environmental laws and regulations affect the operations of the Company. None are anticipated as the Company's does not have physical operations other than business offices. The Company, like all other businesses and persons in the world is exposed to the effects of climate change. The direct effects on the Company's business is not foreseeable at this time.

List Not Exhaustive: The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders. 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.

DISCLAIMER FOR FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

Investors should consider that the investment in the Company is speculative, carefully consider the foregoing risk factors and should consult their professional advisers to assess income tax, legal and other aspects of an investment in the Shares before making financial decisions regarding a purchase of the Company's Ordinary Shares.

APPROVAL

The Board of Directors of the Company approved the disclosure contained in this MD&A on April 21, 2021.