

FIRST GROWTH FUNDS LIMITED

Notice of Annual General Meeting & Management Information Circular for the financial year ended 30 June 2021.

First Growth Funds Limited

ACN 006 648 835

Date of Meeting:

Monday 29 November 2021

Time of Meeting:

10:30 am (AEDST)

Place of Meeting:

Virtual Meeting <https://web.lumiagm.com/257886428>

Management Information Circular of First Growth Funds Limited

FIRST GROWTH FUNDS LIMITED

Level 14, 440 Collins Street

Melbourne, Victoria 3000 Australia

Tel: +61 3 9820-6400

Email: cosec@firstgrowthfunds.com

Notice is given that the Annual General Meeting of shareholders of First Growth Funds Limited ACN 006 648 835 (the "Company") for the financial year ended 30 June 2021 will be held as a virtual meeting, on Monday 29 November 2021 at 10:30 am (AEDST) for the following purposes:

Financial Reports

To receive and consider the Company's Annual Financial Statements for the financial year ended 30 June 2020.

Resolution 1 – Election of Directors

- a) That Anoosh Manzoori, who retires in accordance with Rule 25.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.
- b) That Geoff Barnes, who retires in accordance with Rule 25.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.
- c) That Michael Clarke, who retires in accordance with Rule 25.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.
- d) That Athan Lekkas, who retires in accordance with Rule 25.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.

Resolution 2– Appointment of Auditors

To appoint Pitcher Partners, Chartered Accountants as auditor of the Company for the ensuing year and to authorise the directors to fix their remuneration.

To consider any permitted amendment to or variation of any matter identified in this Notice, and to transact such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting.

Record date

Only shareholders of record on 15 October 2021 ("Record Date") will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must have deposited his duly executed form of proxy not later than 10:30 a.m. (AEDST), on Thursday 25 November 2021 or, if the Meeting is adjourned, not later than 48 hours (2 business days) preceding the time of such adjourned Meeting.

Virtual meeting information for shareholders

1. The Company is holding a virtual Annual General Meeting, conducted via a live webcast. All shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and to engage with directors and management.
2. Shareholders will not be able to attend the Meeting in person.
3. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/257886428>
4. This year registered shareholders and duly appointed proxyholders can also dial into the meeting to ask questions in a live environment. Participant telephone numbers are included in the information circular below.
5. Beneficial shareholders (being shareholders who hold their Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.
6. It is important that Shareholders read the following management information circular and other Meeting materials carefully.
7. A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form.
8. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your Shares, including if you are a nonregistered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you MUST register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, shareholders MUST send an email to firstgrowth@odysseytrust.com and provide Odyssey Trust Company ("Odyssey") with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email.
9. Regardless of whether a shareholder plans to attend the Virtual Meeting, we request that each shareholder please complete, date, and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and Information Circular.

Dated at Melbourne, Victoria, Australia the 25th day of October 2021

BY ORDER OF THE BOARD

"Anoosh Manzooril"

Chief Executive Officer

FIRST GROWTH FUNDS LIMITED

Level 14, 440 Collins Street
Melbourne, Victoria 3000 Australia
Tel: (61) 3-9820-6400

INFORMATION CIRCULAR
(as at 25 October, 2020 unless indicated
otherwise)

SPECIFIC VIRTUAL MEETING ATTENDANCE, PARTICIPATION AND VOTING INSTRUCTIONS

How do I attend and participate at the Meeting?

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/257886428>. Such persons may then enter the Meeting by clicking "I have a login" and entering a Username and Password before the start of the Meeting:

- **Registered shareholders:** The control number located on the form of proxy (or in the email notification you received) is the Username. The Password to the Meeting is **firstgrowth2021** (case sensitive). If as a registered shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open. By voting at the meeting, you will revoke your previous voting instructions received prior to voting cutoff.

- **Duly appointed proxyholders:** Odyssey will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is **firstgrowth2021** (case sensitive). Only registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as a guest but not be able to participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or voting instruction form AND register the proxyholder. See below "Appointment of a Third Party as Proxy".

How do I ask questions?

Registered shareholders and duly appointed proxy holders can ask questions in writing and verbally. Written questions can be submitted via the Lumi platform as described above. Questions may also be submitted verbally by using the participant telephone numbers below.

PARTICIPANT TELEPHONE NUMBERS (For Distribution)

Canada/USA TF: 1-800-319-4610
Canada Toll: 1-416-915-3239
Australia TF: 1-800-423-528

Callers should dial in 5 – 10 min prior to the scheduled start time and simply ask to join your call.

How do I vote?

Voting at the Meeting

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See "How do I attend and participate at the Meeting?".

Beneficial shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. This is because the Company and its transfer agent do not have a record of the beneficial shareholders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a beneficial shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the voting instruction form sent to you and must follow all of the applicable instructions provided by your intermediary. See "Appointment of a Third Party as

Proxy" and "How do I attend and participate at the Meeting?".

Appointment of a Third Party as Proxy

The following applies to shareholders who wish to appoint a person (a "third party proxyholder") other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares MUST submit their proxy or voting instruction form (as applicable) appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

• **Step 1: Submit your proxy or voting instruction form:** To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you are a beneficial shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

• **Step 2: Register your proxyholder:** To register a proxyholder, shareholders MUST send an email to firstgrowth@odysseytrust.com by 10:30 am (AEDST) on Thursday 25 November 2021 and provide Odyssey with the required proxyholder contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a beneficial shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading "How do I attend and participate at the Meeting?"

Legal Proxy – US Beneficial Shareholders

If you are a beneficial shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under "How do I attend and participate at the Meeting?", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from beneficial shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to firstgrowth@odysseytrust.com by 10:30 am (AEDST) on Thursday 25 November 2021-

GENERAL VOTING INFORMATION

Additional general voting information is set out in Schedule "D".

PERSONS OR COMPANIES MAKING SOLICITATION

This management Information Circular is furnished in connection with the solicitation of proxies by the management of First Growth Funds Limited (the "Company" or "FGFL") for use at the annual general meeting for the 2021 year (the "Meeting") of its shareholders to be held as a virtual Meeting on 29

November 2021 for the purposes set forth in the accompanying notice of the Meeting. -

In this Information Circular, references to the “Company”, “we” and “our” refer to First Growth Funds Limited. The “board of directors” or the “Board” refers to the board of directors of the Company. “Ordinary Shares” means ordinary shares without par value in the capital of the Company. “FGFL shareholders”, “shareholders” and “shareholders of the Company” refer to the shareholders of the Company. “Beneficial Shareholders” means shareholders who do not hold Ordinary Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

NOTICE AND ACCESS

The Company is relying on the notice-and-access provisions (“**Notice and Access**”) under the Canadian Securities Administrators’ National Instrument 54-101—Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”) for the delivery of the Information Circular for the Meeting to its “Non-Registered Holders” (as defined under “Non-Registered Holders”). The use of the alternative Notice and Access procedures in connection with the Meeting for Non-Registered Holders helps reduce paper use, as well as the Company’s printing and mailing costs. The Company is also using Notice and Access for the delivery of the Information Circular for the Meeting to its registered shareholders (“Registered Shareholders”) who have consented to this.

Under Notice and Access, instead of receiving paper copies of the Information Circular, Non-Registered Holders and Registered Shareholders who have consented will receive a notice (“Notice and Access Notification”) with information on the Meeting date, location and purpose, as well as information on how they may access the Information Circular electronically or request a paper copy as well as a form of proxy. The Company will arrange to mail paper copies of the Information Circular to those Non-Registered Holders who have existing instructions on their account to receive paper copies of the Company’s proxy-related materials.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Record Date

The Board has fixed 15 October 2021 as the record date (the “Record Date”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either: (a) attend the Meeting personally; or (b) complete, sign and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Ordinary Shares voted at the Meeting. As at the Record Date 77,798,218 Ordinary Shares were issued and outstanding as fully paid and non-assessable.

Subject to restrictions imposed on joint shareholders): (a) on a vote by a show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each Common Share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy. If there are joint shareholders registered in respect of any share: (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted. No group of shareholders of the Company has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Ordinary Shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owned, directly or indirectly, or exercised control or direction over, Ordinary Shares carrying more than 10% of the voting rights attached to all outstanding Ordinary Shares of the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

Except as otherwise disclosed herein, a simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein.

CURRENCY

All currency amounts in this Information Circular are expressed in Australian dollars, unless otherwise indicated.

This Information Circular is provided to shareholders of **First Growth Funds Limited ACN 006 648 835 (Company)** to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held Virtually on Monday 29 November 2021 commencing at 10:30am (AEDST).

The Directors recommend shareholders read the accompanying Notice of Meeting and Information Circular in full before making any decision in relation to the resolutions.

ORDINARY BUSINESS OF THE MEETING

Financial Reports

To receive and consider the Company's Financial Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial years ended 30 June 2021. The Company's Annual Report is attached as a schedule "A-1" to this Information Circular. It was also lodged with the Australian Securities and Investments Commission (**ASIC**) on 1 October 2021, Management's Discussion and Analysis (MD&A) for the financial year ended 30 June 2021 is attached as Schedule "A-2" to this Information Circular.

The Company's Financial Report will be presented to the shareholders for discussion. No voting is required for this item.

1. ELECTION OF DIRECTORS

Board Size: The Company's board of directors is currently set at four.

NOMINEES FOR ELECTION

Anoosh Manzoori (currently a director)

Geoffrey Barnes (currently a director)

Michael Clarke (currently a director)

Athan Lekkas (currently a director)

The board of directors of the Company (the **Board** or the **Board of Directors**) currently consists of four (4) directors, all of whom are elected annually in accordance with the Company's Constitution. The term of office for each of the present directors of the Company expires at the Meeting. The four current directors of the Company will be standing for re-election.

Each director elected will hold office until the next annual general meeting of the Company or until his successor is duly elected or appointed pursuant to the Constitution of the Company unless his office is earlier vacated in accordance with the provisions of the *Corporations Act 2001* (Cth) (Australia) or the Constitution of the Company or unless he becomes disqualified to act as a director.

It is the intention of the Chairman and the proxyholders, if named as proxyholder, to vote for the election of the said persons to the Board of Directors, unless the Shareholder has directed the proxy otherwise. Management does not contemplate that any of the nominees will be unable to serve as a director.

The information set out below relating to the nominees for election to the Board of Directors is information received by the Company from the nominees.

Director Nominee Information and Biographies

Name, Position with Company and Province and Country of Residence	Date of Appointment to Office	Principal Occupation for Past Five Years	Ordinary Shares Held as of the Date of this Prospectus	Percentage of Ordinary Shares Currently Held
Anoosh Manzoori Director, CEO Chairman of Board Glen Iris, Victoria, Australia	Director since Dec. 14, 2017 Executive Chairman since Dec. 8, 2018 CEO since Dec. 4, 2019	Director and officer of the Company since December 2017. Director of Shape Capital Pty Ltd. an advisory and venture investment firm (which is still active) since December 2013.	4,846,756 held indirectly ⁽³⁾	6.22%
Geoffrey Barnes ⁽¹⁾⁽²⁾ Director Malabar, New South Wales Australia	Director since May 16, 2014	Director of the Company, Chairman of the Board; founder and director of Peloton Capital Pty. Ltd. ("Peloton") a boutique investment bank that is active.	6,400,00 held indirectly ⁽⁴⁾	8.22%
Athan Lekkas ⁽¹⁾⁽²⁾ Director Fitzroy, South Australia, Australia	Director since July 16, 2012	Director of the Company since July 2012; since February 24, 2020, director and CEO of Sqid Technologies Limited, a provider of payment solutions, esports and gaming services that is active.	2,037,274 held indirectly ⁽⁵⁾	2.62%
Michael Raymond Clarke ⁽¹⁾⁽²⁾ Director Auldana, South Australia, Australia	Director since May 19, 2014	Since August 6 2019, director of SQID Technologies Limited a payment processor company located in Wacol, Queensland, Australia; from February 2012, director of Malvern Corporation, an investment company located in Adelaide, South Australia, Australia. Both companies are currently active.	751,516 held indirectly ⁽⁶⁾	0.97%

⁽¹⁾ Member of Audit Committee.

⁽²⁾ Member of Remuneration Committee

⁽³⁾ Mr. Manzoori's Ordinary Shares are held by Manzoori Family Trust A/C.

⁽⁴⁾ Mr. Barnes's Ordinary Shares are held by GEBA Pty Ltd. ATF GEBA Family Trust as to 5,000,000 and GXB Pty Ltd. as to 1,400,000.

⁽⁵⁾ Mr. Lekkas's Ordinary Shares are held by Dalext Pty Ltd. ATF Dalext Unit A/C as to 1,723,637 and by Dalext Superannuation Fund as to 313,637.

⁽⁶⁾ Mr. Clarke's Ordinary Shares are held by Sparke Enterprises Pty Ltd. ATF Sparke Enterprises Family Trust A/C as to 651,516 and Sparke Family Super Pty Ltd. ATF Clarke Super Fund A/C as to 100,000.

Mr. Anoosh Manzoori - (Executive Chairman and Chief Executive Officer: Appointed 08 December 2018)

Mr Manzoori was appointed as the entity's Executive Chairman and Chief Executive Officer on 2 December 2019. Previously Mr Manzoori held the role of Executive Chairman.

Mr Manzoori has extensive investment and corporate advisory experience across many verticals with a particular interest in the technology sector. His experience includes equity capital markets, M&A, and private placements. Mr Manzoori has many years of investment experience having advised many cross-border transactions between Australia and Canada and USA. He has completed private placements for many public companies on the ASX and also taken multiple companies public in North America.

Other current board appointments include Non-Executive Director of IOT technology development company Constellation Technologies Limited (ASX:CT1). He was also previously a Non-Executive Director of anti-counterfeit technology company YPB Group Limited (ASX:YPB). Prior to starting his investment banking career he was awarded the 'Entrepreneurial Scholarship' sponsored by Ernst & Young, The American Chamber of Commerce and Playford Capital before founding one of Australia's largest cloud hosting companies reaching over 75,000 customers before selling the company to MYOB Limited in 2008. Anoosh holds a Bachelor of Science degree and a Graduate Diploma of Business Enterprise and is also a member of the Australian Institute of Company Directors.

Other Current Listed Entity Directorships:

CCP Technologies Ltd

Former Listed Entity Directorships in last 3 years:

YPB Group Limited (resigned 4 June 2019)

Geoffrey Barnes – (Non-Executive Director: Appointed 16 May 2014)

Mr. Barnes is a Founder and Director of Peloton Capital Pty Ltd ("Peloton"), where he has responsibility for equity markets, stockbroking operations and corporate transactions. Prior to that he was employed for 9 years at Macquarie Private Wealth (Sydney) as an investment adviser and then Division Director, specialising in all commercial aspects of bringing projects to market, predominantly in the energy sector.

Other Current Listed Entity Directorships:

Nil

Former Listed Entity Directorships in last 3 years:

Nil

Michael Clarke- (Non-Executive Director: Appointed 19 May 2014)

Mr. Clarke has over 18 years' experience in the IT industry and has worked across both public and private enterprise during his career. Mr. Clarke has broad experience in the development and management of enterprise and complex systems and worked at many senior levels during this time. He has consulted and provided services to a variety of industries including manufacturing, mining and resources, government and education.

Other Current Listed Entity Directorships:

SQID Technologies Limited (CSE:SQID) (appointed 6 August 2019)

Former Listed Entity Directorships in last 3 years:

Nil.

Athan Lekkas - (Non-Executive Director: Appointed 16 July 2012)

Mr. Lekkas has participated in a broad range of business and corporate advisory transactions, and is a former founding Director of Energio Limited, an Iron Ore company in West Africa. Mr. Lekkas has more recently focused and specialised on the restructure and recapitalisation of a wide range of ASX Listed companies with a specific interest in the resources sectors and is also a Member of the Australian Institute of Company Directors.

Other Current Listed Entity Directorships:

SQID Technologies Limited (CSE:SQID) (appointed 24 February 2020)

Former Listed Entity Directorships in last 3 years:

Nil.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the Company's knowledge and other than as disclosed herein, no existing director or executive officer or a shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company is, or was within ten years prior to the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company including the Company that:

- (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity as director, chief executive officer or chief financial officer.

For the purposes herein "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

None of the directors or executive officers of the Company, or a shareholder holds a sufficient number of securities of the Company to affect materially the control of the Company:

Bankruptcies

To the Company's knowledge and other than as disclosed herein, no existing director or executive officer:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge and other than as disclosed herein, no existing director or executive officer or a shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial or territorial securities regulatory authority or has entered into a settlement agreement with a provincial or territorial securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

2. APPOINTMENT OF THE AUDITOR

Shareholders will be asked at the Meeting to approve the re-appointment of Pitcher Partners, Chartered Accountants, located at Level 38, 345 Queen St Brisbane QLD 4000, GPO Box 1144 Brisbane QLD 4001, as the auditor of the Company for the ensuing year and to authorise the directors to fix their remuneration. Pitcher Partners was first appointed the auditor of the Company on February 22, 2019.

The resolutions to be presented at the Meeting are:

Resolution 1(a) - Re-election of Anoosh Manzoori as a director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:
“That, Anoosh Manzoori who retires in accordance with Rule 25.1 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

The Directors (with Mr. Manzoori abstaining) recommend that you vote in favour of this Ordinary Resolution.

Resolution 1(b) - Re-election of Geoff Barnes as a director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:
“That Geoff Barnes, who retires in accordance with Rule 25.1 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

The Directors (with Mr. Barnes abstaining) recommend that you vote in favour of this Ordinary Resolution.

Resolution 1(c) - Re-election of Michael Clarke as a director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:
“That Michael Clarke, who retires in accordance with Rule 25.1 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

The Directors (with Mr. Clarke abstaining) recommend that you vote in favour of this Ordinary Resolution.

Resolution 1(d) -Election of Athan Lekkas as a director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That Athan Lekkas, who retires in accordance with Rule 25.1 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

The Directors (with Mr. Lekkas abstaining) recommend that you vote in favour of this Ordinary Resolution.

Resolution 2 – Appointment of Auditor

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“To appoint Pitcher Partners, Chartered Accountants, as the auditor of the Company for the ensuing year and to authorise the directors to fix their remuneration”.

The Directors recommend that you vote in favour of this Ordinary Resolution.

Compensation Overview

Statement of Executive Compensation (for the financial year ended 30 June 2021)

During the year ended 30 June 2021, the Company had three NEOs: Anoosh Manzoori, CEO and Mark Pryn CFO.

Compensation Discussion and Analysis

In assessing the compensation of its executive officers, for the year ended 30 June 2021 and prior years, the Company did not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board of Directors.

The Company's remuneration strategy is based on achieving the overall objective of growing net tangible assets and profitability. The core of FGF's remuneration philosophy seeks to focus on driving performance over and above shareholder and market expectations.

The Company does not currently have either a short term or long term incentive plan in place. Currently there are no outstanding stock options for Directors and NEOs.

As of the date of this Information Circular, the Company's directors have not established any benchmark or performance goals to be achieved or met by the NEO's, however, such NEO's are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company.

Option Based Awards: No option based awards have been granted during the year ended 30 June 2021.

Payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers. At this time, there are compensation agreements with the CEO and the CFO.

Compensation of Named Executive Officers of the Company

The following table sets forth the compensation of the Named Executive Officers and persons earning more than \$150,000 annually for the three most recently completed fiscal years. Prior to the appointment of Mr. Manzoori as Executive Chairman of the Board, the executive functions (excluding CFO) were carried out by the directors.

Compensation of Named Executive Officers of the Company

Name and principal position (a)	Year (b)	Salary (\$) (c)	Ordinary Share based awards (\$) (d)	Option based awards (\$) (e)	Non-equity incentive compensation (f)		Pension value (\$) (g)	All other Compensation (\$) (h)	Total Compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Anoosh Manzoori ⁽¹⁾	2021	240,000	Nil	Nil	Nil	Nil	Nil	Nil	240,000
	2020	240,000	Nil	Nil	Nil	Nil	Nil	Nil	240,000
	2019	175,007	Nil	Nil	Nil	Nil	Nil	360,000 ⁽²⁾	535,007
Mark Pryn (CFO) appointed 8 October 2019	2021	Nil	Nil	Nil	Nil	Nil	Nil	78,717 ⁽³⁾	78,717
	2020	Nil	Nil	Nil	Nil	Nil	Nil	91,781 ⁽³⁾	91,781
Julie Edwards (CFO) resigned 8 October 2019	2020	Nil	Nil	Nil	Nil	Nil	Nil	24,100	24,100
	2019	Nil	Nil	Nil	Nil	Nil	Nil	40,000	40,100

- (1) On December 6, 2018 Mr Manzoori was appointed executive director and his fees were set at \$240,000 annually.
- (2) Equity based payment of 45,000,000 Ordinary Shares issued as part of Mr. Manzoori's compensation package (\$360,000).
- (3) On October 8, 2019, Baudin Consulting Pty Ltd. entered into an agreement with the Company dated October 8, 2019 to provide corporate secretary and CFO services. The base retainer is \$77,500 per annum with a target of 45 days annually by either Mr. Pryn (CFO) or the co-corporate secretary, Robert Kleine. In 2020 additional fees were charged in relation to the CSE listing application and prospectus.

Compensation of non- executive Directors

Name and principal position (a)	Year (b)	Salary (\$) (c)	Ordinary Share based awards (\$) (d)	Option based awards (\$) (e)	Non-equity incentive plan compensation		Pension value (\$) (g)	All other Compensation (\$) (h)	Total Compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Athanasios Lekkas	2021	40,000	,Nil	,Nil	,Nil	,Nil	,Nil	130,000 ⁽²⁾	170,000
	2020	60,000	,Nil	,Nil	,Nil	,Nil	,Nil	90,000 ⁽²⁾	150,000
	2019	60,000	,Nil	,Nil	,Nil	,Nil	,Nil	50,918 ⁽²⁾	110,918
Geoff Barnes	2021	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2020	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2019	60,000	Nil	Nil	Nil	Nil	Nil	68,000 ⁽¹⁾	128,000
Michael Clarke	2021	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2020	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2019	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Daniel Zhang (resigned)	2019	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000

(1) In 2019 the Company paid \$68,000 Peloton Capital Pty Ltd., a private company controlled by Geoff Barnes for consulting services.

(2) An agreement was entered into on 6 December 2018 for additional consultancy services of \$90,000 per annum. Effective 1 March 2021, this agreement was amended to consolidate his Director related remuneration into a single consultancy fee of \$210,000 per annum. This represented an increase in total remuneration of \$60,000 per annum. Under the consultancy agreements a related entity of Mr. Lekkas (Dalex products Pty Ltd) was entitled to receive \$130,000 (2020: \$90,000) 2019: \$50,918. The agreement can be terminated by either party with six months' notice.

Balances payable to directors at the end of the 2021 and 2020 fiscal years are set out below:

	Consolidated	
	30 Jun 2021	30 Jun 2020
Current payables:		
Polygon Fund Limited – Anoosh Manzoori (Director fees)	20,000	20,000
Dalex Pty Ltd - Athan Lekkas (consulting fees)	5,000	-
	<u>25,000</u>	<u>20,000</u>

These amounts represent fees outstanding for the month of June which the directors invoice to the company monthly in arrears as a matter of course.

Incentive Plans Awards

During the year ended June 30, 2019 the Company had granted 10,000,000 Stock Option based awards to one Director, Mr. Manzoori. As a result of the consolidation of the Company's ordinary Shares on the basis of one new Ordinary Shares for twenty old Ordinary Shares on December 2, 2019 the options were consolidated to 500,000. The options lapsed on March 12, 2020.

Pension Plans Benefits

The Company does not have a pension plan or provide any benefits following or in connection with retirement for the NEOs.

Termination and Change of Control Benefits

The Company does not have detailed written employment agreements with the NEO's, nor any plans or arrangements in place with any NEO that provide for payment following or in connection with any termination, resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities.

Intended Changes to Compensation

None.

AUDIT COMMITTEE

Under NI52-110 the Company is required to provide certain disclosure with respect to their Finance, Audit and Risk Committee (“Audit Committee”) including the text of the Audit Committee’s charter, the composition of the Audit Committee and the fees paid to the external auditor. The Company’s “Audit Committee Charter is attached as Schedule “B” to this Information Circular.

The primary purpose of the Audit Committee is to assist the Board of Directors in discharging its oversight and evaluation responsibilities. In particular, the Audit Committee oversees the financial reporting process to ensure the balance, transparency and integrity of our published financial information. The Audit Committee also reviews and reports to the Board of Directors on the quality and integrity of the Financial Statements and other financial information; compliance with legal and regulatory requirements related to financial reporting; the effectiveness of the systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the Company and its subsidiaries; the proper maintenance of accounting and other records; annual and quarterly interim financial information; the independent audit process, including recommending the appointment and compensation of the external auditor, and assessing the qualifications, performance and independence of the external auditor; the performance and objectivity of our internal audit function; all non-audit services; the development and maintenance of procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Company and its subsidiaries of concerns regarding questionable accounting or auditing matters; the review of environment, insurance and other liability exposure issues relevant to the affairs of the Company; and any additional matters delegated to the committee by the Board of Directors.

The Audit Committee has the right, for the purposes of performing its duties, to maintain direct communication with the Company’s external auditors and Board of Directors, to inspect all books and records of the Company and its affiliates, to seek any information it requires from any employee of the Company and its affiliates and to retain outside counsel or other experts.

The Audit Committee is required to meet at least once per quarter and is comprised of not less than three directors, a majority of whom are independent (as defined in NI 52-110) and all “financially literate” within the meaning of applicable Canadian securities laws. Michael Clarke, Geoff Barnes and Athan Lekkas are the members of the Audit Committee.

Composition of Audit Committee and Independence

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with a company, which could, in the view of that company’s board of directors, reasonably interfere with the exercise of the member’s independent judgment. Two of the members of the Audit Committee, Geoff Barnes and Michael Clarke meet the definition of “independence” provided in NI 52- 110. Michael Clarke is also the chairman of the audit committee. Athan Lekkas is not independent as he receives a consulting fees in addition to the fees paid to Mr. Lekkas as a director. See “Executive Compensation” for details regarding director’s fees and consulting fees paid to Mr. Lekkas directly and indirectly

Relevant Education and Experience

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Financial Statements. All of the members of the Audit Committee are financially literate. For details regarding the education, experience and financial literacy of the members of the Audit Committee.

It is intended that the Audit Committee will establish a practice of approving audit and non-audit services provided by the external auditor.

External Auditor Service Fee

The audit fees incurred to its external auditors, Pitcher Partners, Chartered Accountants, by the Company for the last two completed financial years are as follows:

Nature of Service	Fees Paid (or accrued) to Auditor in respect of the financial year ended 30 June 2021 (\$)	Fees Paid (or accrued) to Auditor in respect of the financial year ended 30 June 2021 (\$)
Audit Fees ⁽¹⁾	56,000	60,250
Audit-Related Fees ⁽²⁾	0	0
Tax fees ⁽³⁾	8,400	6,730
All other fees ⁽⁴⁾	31,300	31,300
Total	64,400	98,280

⁽¹⁾ "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

⁽²⁾ "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services may include aggregate fees for due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

⁽³⁾ "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice.

⁽⁴⁾ "All Other Fees" include all other non-audit services, in the aggregate. These services were for the review of prior prospectus and interim unaudited financial statements filed with the Commission.

Exemption

The Company is relying on an exemption provided in section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

REPORT ON CORPORATE GOVERNANCE

General

The following provides information with respect to the Company's compliance with corporate governance requirements (the "Corporate Governance Guidelines") of the Canadian Securities Administrators set forth in National Instrument 58-101 - Disclosure of Corporate Governance Practices and Form 58-101F2. The Corporate Governance Policy is attached to this Information Circular as Schedule "C".

Board of Directors

Currently, the Board of Directors is comprised of four directors, namely Anoosh Manzoori, Athan Lekkas, Michael Clarke and Geoff Barnes. Mr. Manzoori is not considered independent, as he is the CEO of the Company. Athan Lekkas is not considered independent as he receives a consulting fee in addition to his director's fees. See "Directors and Executive Officers" for details of the agreement with Mr. Manzoori and Mr. Lekkas. Michael Clarke and Geoff Barnes are considered independent for the purposes of NP 58-201. The Board of Directors may meet independently of management as needed. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

Other Directorships

See Director nominee information and biographies above.

Orientation and Continuing Education

Each new director of the Company is briefed about the nature of the Company's business, its corporate strategy and current issues within the Company. New directors will be encouraged to review the Company's public disclosure records filed on SEDAR at www.sedar.com. Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company.

Ethical Business Conduct

The Board of Directors is considering implementing a written code of ethical conduct for its directors, officers and future employees. The Board of Directors is also required to comply with the conflict of interest provisions of the *Corporations Act 2001* and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

Nomination of Directors

The Company's management is in contact with individuals involved in the technology and resources sectors. From these sources, management has made a number of contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board of Directors. The Company will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

Other Board Committees

Other than the Audit Committee there are no other committees of the Board of Directors.

Compensation

The Board is responsible for setting out the standards and terms for the compensation of the Company's Chief Executive Officer and Chief Financial Officer with reference to industry standards and the financial situation of the Company.

Assessments

Neither the Company nor the Board of Directors has developed a formal review system to assess the performance of the directors or the Board of Directors as a whole. The contributions of individual directors are monitored by other members of the Board of Directors on an informal basis through observation.

Indebtedness of Directors and Executive Officers

None of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, and no associates or affiliates of any of them, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company's last completed financial year.

Schedules

A-1. Audited Annual Financial Statements for the year ended 30 June 2021

A-2. Management Discussion and Analysis for the year ended 30 June 2021

B. Finance, Audit and Risk Committee Rules

C. Corporate Governance

D. Additional voting information

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First Growth Funds Limited

ABN 34 006 648 835

Annual Financial Report - 30 June 2021

First Growth Funds Limited
Corporate directory
For the year ended 30 June 2021

Directors	Mr Anoosh Manzoori (Executive Chairman & CEO) Mr Athan Lekkas - Non-executive Director Mr Geoff Barnes - Non-executive Director Mr Michael Clarke - Non-executive Director
Company secretaries	Mr Mark Pryn Mr Robert Kleine
Registered office and principal place of business	Level 14 440 Collins Street Melbourne VIC 3000
Share register / Transfer Agent	Odyssey Trust Company 1230-300 5 Ave SW Calgary, AB T2P 3C4
Auditor	Pitcher Partners Level 38, Central Plaza, 345 Queen Street Brisbane QLD 4000
Website	www.firstgrowthfunds.com
Stock Exchange Listing	Canadian Securities Exchange (CSE:FGFL)
Corporate Governance Practices and Conduct	First Growth Funds Limited has published its Corporate Governance Statement on its website. It can be found at: www.firstgrowthfunds.com/about/corporate-governance

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

The Directors present their report on the consolidated entity consisting of First Growth Funds Limited (the Parent Entity) and the entities that it controlled for the reporting year ended 30 June 2021. The consolidated entity may also be referred to as the "Group" and the Parent Entity may also be referred to as the "Company". These Financial Statements cover the period from 1 July 2020 to 30 June 2021.

Principal activities

The Group's principal business activities are to provide advisory services to both listed and private unlisted companies, to present investment opportunities to accredited investors in Australia and to earn commission fees and to manage a diversified portfolio of different assets and classes including large and small cap listed equities, private equity and pre-IPO investments, convertible notes, loans and cryptocurrencies investments.

Directors

The following persons were Directors of First Growth Funds Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Anoosh Manzoori
Athan Lekkas
Geoff Barnes
Michael Clarke

Company Secretaries

Mark Pryn
Robert Kleine

Review of operations

The profit for the Group after providing for income tax amounted to \$1,658,004 (30 June 2020: \$934,339).

For the year ended 30 June 2021, the net consolidated profit was \$1,658,004 (30 June 2020: \$934,339) and net cash outflow from operating activities was \$3,493,598 (2020: \$1,883,784 inflow from operating activities). Net cash outflow from operating activities includes net financial asset acquisitions totalling \$3,315,005 (2020: \$3,158,687 net proceeds from disposal).

As at 30 June 2021, total assets were \$10,761,594 (2020: \$9,155,661) and net assets were \$10,685,984 (2020: \$9,027,980).

During the year ended 30 June 2021, the Group:

- recorded net income from continuing operations of \$970,352 (2020: \$53,585) including profit on sale of cryptocurrency \$859,852 (2020: \$1,870 loss), advisory fees and commissions of \$100,500 (2020: 45,455) and other income of \$10,000 (2020:\$10,000). The Group currently has no exposure to cryptocurrency assets;
- recorded net income from investments of \$1,869,370 (2020: \$2,240,253) comprising interest revenue \$55,155 (2020: \$95,660), net financial asset fair value gains \$1,747,530 (2020: \$2,798,472), recoveries from previously impaired assets \$103,437 (2020: \$638,252 impairment expense) and other losses \$36,712 (2020: \$15,627);
- The net financial asset gains include listed security fair value gains totalling \$2,140,523 and other fair value losses totalling \$392,993;
- The largest listed security contributor was a gain of \$3,922,601 from the Group's interest in Magnum Mining and Exploration Limited (ASX:MGU) acquired during the year. This was partly offset by a \$1,450,910 fair value loss against the Group's 14.4% interest in SQID Technologies Limited (CSE: SQID);
- The unlisted security fair value losses include a \$266,466 charge against unlisted ASX entity options and a \$397,585 loss booked against the Group's interest in the Canadian based Vello Technologies Inc following its unsuccessful application to list on the Canadian Securities Exchange (CSE). These losses were partly offset by fair value gains totalling \$384,031 from pre-IPO holdings, including gains of \$271,970 from the investment in the United States based Helbiz Inc, which listed on Nasdaq on 13 August 2021; and
- incurred operating expenses of \$1,181,718 (2020: \$1,359,499). The decrease in the current reporting period is largely due to one off prior period legal, advisory and travel costs attributable to the prior year CSE listing application, partly offset by consulting fees paid to new Canadian based corporate and investor relations advisors appointed in August 2020.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Cash balances at the end of the reporting period were \$856,169 (30 June 2020: \$4,349,767). The decrease in cash balances of \$3,493,598 is largely due to on-going investments in listed and unlisted financial assets. The major investments during the year include Magnum Mining and Exploration Limited (ASX:MGU) \$1,519,898, SportsHero Limited (ASX:SHO) \$430,000, a pre-IPO convertible loan issued by Harranga Resources Limited \$500,000 and \$452,641 for the Canadian based Vello Technologies Inc which acquired the Australian based Vello Technologies Pty Ltd ("Vello"). Vello is set up to provide a fintech platform for social media that allows celebrities and influencers the opportunity to charge access for their premium content on social media.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Matters subsequent to the end of the financial year

On 13 July 2021 Vello Technologies Inc (an investee company) agreed to unwind a share swap agreement which will result in the cancellation of 20 million shares and effectively return the ownership of Vello Technologies Pty Ltd back to the Australian shareholders. The cancellation of the shares will result in the Group holding a greater than 20% interest in Vello Technologies Inc and thereby in a position to exert significant influence which will require the Group to equity account its Vello related interests in subsequent reporting periods.

As at 6 August 2021 the 1,000,000 options issued to third parties in August 2020 had lapsed. The Group now has no outstanding options on issue.

On 13 August 2021 investee company Helbiz, Inc. ("Helbiz"), a global leader in micro-mobility, began trading on Nasdaq under the ticker HLBZ. As at 28 September 2021, the value of the Group's 38,782 shares held had increased 86% from listing date to \$1,052,030.

As at 28 September 2021 the trading price of Magnum Mining Exploration Limited shares and options (ASX:MGU, ASX:MGUO) and had fallen 61% and 77% respectively resulting in a \$3,490,700 decrease in the carrying value of the investment to \$1,951,800.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Significant changes in the state of affairs

Refer to Note 2. Critical accounting judgements, estimates and assumptions relating to the ongoing Coronavirus (COVID-19) pandemic.

There were no other significant changes in the state of affairs of the Group during the financial year.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Information on Directors

Mr. Anoosh Manzoori (Executive Chairman and Chief Executive Officer: Appointed 08 December 2018)

Anoosh was appointed as the entity's Executive Chairman and Chief Executive Officer on 2 December 2019. Previously Anoosh held the role of Executive Chairman.

Mr Manzoori has extensive investment and corporate advisory experience across many verticals with a particular interest in the technology sector. His experience includes equity capital markets, M&A, and private placements. Mr Manzoori has many years of investment experience having advised many cross-border transactions between Australia and Canada and USA. He has completed private placements for many public companies on the ASX and also taken multiple companies public in North America. Other current board appointments include Non-Executive Director of IOT technology development company Constellation Technologies Limited (ASX:CT1). He was also previously a Non-Executive Director of anti-counterfeit technology company YPB Group Limited (ASX:YPB). Prior to starting his investment banking career he was awarded the 'Entrepreneurial Scholarship' sponsored by Ernst & Young, The American Chamber of Commerce and Playford Capital before founding one of Australia's largest cloud hosting companies reaching over 75,000 customers before selling the company to MYOB Limited in 2008. Anoosh holds a Bachelor of Science degree and a Graduate Diploma of Business Enterprise and is also a member of the Australian Institute of Company Directors.

Special Responsibilities:

Nil.

Other Current Directorships:

Constellation Technologies Ltd

Former Directorships in last three years:

YPB Group Limited (resigned 4 June 2019)

Mr. Athan Lekkas (Non-Executive Director: Appointed 16 July 2012)

Mr. Lekkas has participated in a broad range of business and corporate advisory transactions, and is a former founding Director of Energio Limited, an Iron Ore company in West Africa. Mr. Lekkas has more recently focused and specialised on the restructure and recapitalisation of a wide range of ASX Listed companies with a specific interest in the resources sectors and is also a Member of the Australian Institute of Company Directors.

Mr. Lekkas does not fulfil the role of an independent Director as a result of his consulting arrangements with the Company.

Special Responsibilities:

Audit committee member.

Other Current Directorships:

SQID Technologies Limited (CSE:SQID) (appointed 24 February 2020)

Former Directorships in last 3 years:

Nil

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Mr. Geoff Barnes (Non-Executive Director: Appointed 16 May 2014)

Mr. Barnes is a Founder and Director of Peloton Capital Pty Ltd ("Peloton"), where he has responsibility for equity markets, stockbroking operations and corporate transactions. Prior to that he was employed for 9 years at Macquarie Private Wealth (Sydney) as an investment adviser and then Division Director, specialising in all commercial aspects of bringing projects to market, predominantly in the energy sector.

Mr. Barnes does not fulfil the role of an independent Director as he is a major shareholder of the Company.

Special Responsibilities:

Nil.

Other Current Directorships:

Nil.

Former Directorships in last 3 years:

Nil.

Mr. Michael Clarke (Non-Executive Director: Appointed 19 May 2014)

Mr. Clarke has over 18 years' experience in the IT industry and has worked across both public and private enterprise during his career. Mr. Clarke has broad experience in the development and management of enterprise and complex systems and worked at many senior levels during this time. He has consulted and provided services to a variety of industries including manufacturing, mining and resources, government and education.

Mr. Clarke fulfils the role of an independent Director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with the independent exercise of judgement.

Special Responsibilities:

Audit committee chair.

Other Current Directorships

SQID Technologies Limited (CSE:SQID) (appointed 6 August 2019)

Former Directorships in last 3 years

Nil

Information on Company Secretaries

Mr Mark Pryn (Company Secretary and Chief Financial Officer: Appointed 8 October 2019)

Mr Pryn is a Chartered Accountant and a member of the Governance Institute Australia with over 25 years' corporate experience in senior finance and governance roles, including 10 years as an ASX listed company secretary. Mr Pryn is also Chief Financial Officer.

Mr Robert Kleine (Company Secretary: Appointed 8 October,2019).

Mr Kleine is a CPA qualified accountant and a member of the Governance Institute Australia with financial reporting, company secretarial and compliance support experience across a range of industries and also within ASX listed environments.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Meetings of Directors

The numbers of meetings of the company's Board of Directors and of each board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each Director were:

Full Board

	Full Board Attended	Full Board Held*	Audit Committee Attended	Audit Committee Held*
Geoff Barnes	4	5	-	-
Michael Clarke	5	5	3	3
Athan Lekkas	5	5	3	3
Anoosh Manzoori	5	5	-	-

* Held represents the number of meetings held during the time the Director held offices or was a member of the relevant committee. The Remuneration Committee did not meet during the year.

Options

At the date of this report First Growth Funds Limited had no outstanding options issued to unrelated parties. As at the end of the reporting period the Group had 1,000,000 options which expired in August 2021 as set out in the table below. Each option carried the right to acquire one fully paid ordinary share. The terms attached to the options are set out below:

Grant date	August 4 2020	August 6 2020
Number granted	500,000	500,000
Exercise price (Canadian dollars)	\$0.28	\$0.28
Expired date	August 4 2021	August 6 2021

The options were granted as part of the consideration for services rendered under investor relations and corporate advisory consulting arrangements.

During the reporting year there were no options exercised and no shares issued on the exercise of any options.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations.

The Board remains confident that its remuneration policy and the level and structure of its executive remuneration are suitable for the Company and its shareholders.

The key management personnel of the Group consisted of the Directors of First Growth Funds Limited (the Parent Entity) only.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Details of remuneration

Details of the remuneration of the Directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Group) and specified executives of First Growth Funds Limited are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
30 Jun 2021	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Geoff Barnes	60,000	-	-	-	-	-	60,000
Athan Lekkas	40,000	-	-	-	-	-	40,000
Michael Clarke	60,000	-	-	-	-	-	60,000
<i>Executive Directors:</i>							
Anoosh Manzoori	240,000	-	-	-	-	-	240,000
Non-Executive Directors of controlled entities							
Jeffrey Pulver (retired 26 July 2021)	30,000	-	-	-	-	-	30,000
James Haft (retired 04 December 2020)	12,500	-	-	-	-	-	12,500
	<u>442,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,500</u>

There was no performance based remuneration for any Director.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
30 Jun 2020	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Geoff Barnes	60,000	-	-	-	-	-	60,000
Athan Lekkas	60,000	-	-	-	-	-	60,000
Michael Clarke	60,000	-	-	-	-	-	60,000
<i>Executive Directors:</i>							
Anoosh Manzoori	240,000	-	-	-	-	-	240,000
Non-Executive Directors of controlled entities							
Jeffrey Pulver (retired 26 July 2021)	30,000	-	-	-	-	-	30,000
James Haft (retired 04 December 2020)	30,000	-	-	-	-	-	30,000
	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,000</u>

There was no performance based remuneration for any Director.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Remuneration strategy

The remuneration strategy of First Growth Funds Limited focuses on achieving the Group's overall objective of profitable growth and quality of product through a strong performance culture. The Directors consider that the structure adopted should be designed to be competitive in the listed investment market so as to attract, motivate and retain the best executives available. During the financial year key management personnel received fixed remuneration only.

The core of the Group's remuneration philosophy seeks to focus on:

- Driving performance over and above shareholder and market expectations;
- Ensuring that any variable payments are linked to the Group's performance and that individuals who contribute to this performance are appropriately rewarded; and
- Providing incentives for high performing individuals to align personal and corporate objectives over the medium to long-term through equity ownership.

The Group's remuneration framework aims to be structured in such a way as to drive ongoing superior performance and align executive and shareholder interests using other Listed Investment Companies as benchmarks. Key features of future remuneration strategy should include fixed remuneration appropriate to the position and relevant market benchmarks supplemented by appropriate short term and long-term incentive plans.

Service Agreements

Anoosh Manzoori (Executive Chairman)

The Company has a consultancy agreement with Polygon Fund Pty Ltd which commenced on 14 December 2017 and was last amended on 6 December 2018 setting the annual remuneration package at \$240,000. This agreement can be terminated by either party with three months' notice or three months payment in lieu of such notice.

Athan Lekkas (Non-executive Director)

The Company has a consultancy agreement with Dalext Products Pty Ltd and Mr Lekkas. The agreement commenced on 1 June 2016 with a remuneration package of \$60,000 per annum. Effective 1 March 2021, the Group and Mr Lekkas agreed to terminate this agreement and to consolidate Mr Lekkas's compensation into a monthly consultancy fee arrangement.

Geoff Barnes (Non-executive Director)

The Board agreed to a remuneration package of \$60,000 per annum for non-executive Directors' fees Mr Barnes may be awarded additional remuneration for any work performed outside of his non-executive duties.

Michael Clarke (Non-executive Director)

The Company entered into a consultancy agreement with Sparke Enterprises Pty Ltd and Mr Clarke which commenced on 1 June 2016 with a remuneration package of \$60,000 per annum. The agreement can be terminated by written agreement between either parties or on cessation of directorship. Mr Clarke may be awarded additional remuneration for any work performed outside of his non-executive duties.

Other Related Party Transactions

During the year, the Group paid the following amounts to related party entities:

Athan Lekkas

An agreement was entered into on 6 December 2018 for additional consultancy services of \$90,000 per annum. Effective 1 March 2021, this agreement was amended to consolidate his Director related remuneration into a single consultancy fee of \$210,000 per annum. This represented an increase in total remuneration of \$60,000 per annum. Under the consultancy agreements a related entity of Mr. Lekkas was entitled to receive \$130,000 (2020: \$90,000). The agreement can be terminated by either party with six months' notice.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Earnings

The earnings of the Group for five years to 30 June 2021 are summarised below:

Year ended 30 June	2021	2020	2019	2018	2017
Profit/(loss) after income tax	1,658,004	934,339	(3,916,523)	(823,090)	(872,389)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

Year ended 30 June	2021	2020**	2019***	2018***	2017***
Share Price in \$	0.11 CAD	0.25 CAD	0.18 AUD	0.16 AUD	0.08AUD
Dividends declared	Nil	Nil	Nil	Nil	Nil
EPS in cents	2.131	1.201	(6.54)	(1.52)	(2.12)

** The Company was listed on the Canadian Stock Exchange on June 29, 2020. The share price is as at July 3, 2020, being the first day the shares traded.

*** For comparative purposes, the prior period information has been adjusted to reflect the 20:1 share consolidation approved by shareholders at the November 27, 2019 annual general meeting.

Ordinary shares held by Directors

Name	Balance at the start of the year	Share consolidation* *	Off market additions	Disposals	Balance at the end of the year
30 June 2021					
Geoff Barnes	6,400,000	-	-	-	6,400,000
Michael Clarke	751,516	-	-	-	751,516
Athan Lekkas	2,037,274	-	-	-	2,037,274
Anoosh Manzoori	4,846,756	-	-	-	4,846,756
	<u>14,035,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,035,546</u>
30 June 2020					
Geoff Barnes	128,000,000	(121,600,000)	-	-	6,400,000
Michael Clarke	15,030,302	(14,278,786)	-	-	751,516
Athan Lekkas	40,745,454	(38,708,180)	-	-	2,037,274
Anoosh Manzoori	60,000,000	(57,000,000)	1,846,756	-	4,846,756
	<u>243,775,756</u>	<u>(231,586,966)</u>	<u>1,846,756</u>	<u>-</u>	<u>14,035,546</u>

**On 27 November 2019, shareholders approved a 20:1 share and option consolidation.

The balances reported above remain unchanged at the date of this report.

This concludes the remuneration report, which has been audited.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

Indemnity and insurance of officers

The Group has indemnified its Directors for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the reporting year, the Group has received an invoice for a premium in respect of a contract to insure the Directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Non-audit services

The Directors are satisfied that the provision of non-audit services during the year is compatible with the requirements of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services set out in note 18 to the financial statements did not compromise the external auditor's independence as the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* set by the Accounting Professional and Ethical Standards Board.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor

Pitcher Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

Rounding of amounts to nearest dollar

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to rounding in Financial/Directors' Reports amounts in the Directors' report. Amounts in the Directors' report and Financial Statements have been rounded off in accordance with the instrument to the nearest dollar.

First Growth Funds Limited
Directors' report
For the year ended 30 June 2021

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Anoosh Manzoori
Executive Chairman

1 October 2021

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
First Growth Funds Limited
Level 14, 440 Collins Street
Melbourne VIC 3000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*;
and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of First Growth Funds Limited and the entities it controlled during the year.

Pitcher Partners

PITCHER PARTNERS



DANIEL COLWELL
Partner

Brisbane, Queensland
1 October 2021

First Growth Funds Limited
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General information

The financial statements cover First Growth Funds Limited as a consolidated entity consisting of First Growth Funds Limited and the entities it controlled at the end of, or during, the reporting period. The financial statements are presented in Australian dollars, which is First Growth Funds Limited's functional and presentation currency. The Group's shares are listed on the Canadian Stock Exchange.

First Growth Funds Limited is a public company limited by shares listed on the Canadian Securities Exchange (CSE), incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 14
440 Collins Street
Melbourne
Victoria 3000
Australia

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 1 October 2021. The Directors have the power to amend and reissue the financial statements.

First Growth Funds Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

		Consolidated	
	Note	30 Jun 2021	30 Jun 2020
		\$	\$
Income/(loss) from continuing operations			
Advisory / Commission income		100,500	45,455
Digital currency sales (inventories)		907,052	249,835
Government grants		10,000	10,000
Revenue from continuing operations		<u>1,017,552</u>	<u>305,290</u>
Direct costs		<u>(47,200)</u>	<u>(251,705)</u>
Net income / (loss) from continuing operations	4	<u>970,352</u>	<u>53,585</u>
Income/(loss) from investments			
Interest revenue		55,115	95,660
Change in financial assets at fair value through profit and loss		1,747,530	2,798,472
Asset impairment reversals / (expense)	5	103,437	(638,252)
Other gains and losses		<u>(36,712)</u>	<u>(15,627)</u>
Net income / (loss) from investments		<u>1,869,370</u>	<u>2,240,253</u>
Operating expenses			
AFSL* support		(36,000)	(36,000)
Director related costs		(442,500)	(480,000)
Insurance and professional fees		(563,592)	(595,557)
Listing and share registry fees		(75,699)	(99,395)
Travel expenses		(13,832)	(56,703)
Other expenses		<u>(50,095)</u>	<u>(91,844)</u>
Total operating expenses		<u>(1,181,718)</u>	<u>(1,359,499)</u>
Profit before income tax expense		1,658,004	934,339
Income tax expense	6	<u>-</u>	<u>-</u>
Profit after income tax expense for the year		1,658,004	934,339
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>1,658,004</u></u>	<u><u>934,339</u></u>

* AFSL - Australian Financial Services Licence

		Cents	Cents
Basic earnings per share	24	2.131	1.201
Diluted earnings per share	24	2.131	1.201

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

First Growth Funds Limited
Consolidated statement of financial position
As at 30 June 2021

		Consolidated	
	Note	30 Jun 2021	30 Jun 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	856,169	4,349,767
Trade and other receivables	8	10,600	12,704
Inventories (cryptocurrencies)	9	-	47,200
Financial assets	10	8,535,220	3,126,095
Other assets	11	-	11,328
Total current assets		<u>9,401,989</u>	<u>7,547,094</u>
Non-current assets			
Financial assets	10	1,359,605	1,608,567
Total non-current assets		<u>1,359,605</u>	<u>1,608,567</u>
Total assets		<u>10,761,594</u>	<u>9,155,661</u>
Liabilities			
Current liabilities			
Trade and other payables	12	75,610	127,681
Total current liabilities		<u>75,610</u>	<u>127,681</u>
Total liabilities		<u>75,610</u>	<u>127,681</u>
Net assets		<u>10,685,984</u>	<u>9,027,980</u>
Equity			
Issued capital	13	67,635,788	67,635,788
Accumulated losses		(56,949,804)	(58,607,808)
Total equity		<u>10,685,984</u>	<u>9,027,980</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

First Growth Funds Limited
Consolidated statement of changes in equity
For the year ended 30 June 2021

Consolidated	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	67,635,788	19,156	(59,561,303)	8,093,641
Profit after income tax expense for the year	-	-	934,339	934,339
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	934,339	934,339
<i>Transactions with owners in their capacity as owners:</i>				
Transfer of expired options to accumulated losses	-	(19,156)	19,156	-
Balance at 30 June 2020	<u>67,635,788</u>	<u>-</u>	<u>(58,607,808)</u>	<u>9,027,980</u>

Consolidated	Issued capital \$	Share based payment reserve Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	67,635,788	-	(58,607,808)	9,027,980
Profit after income tax expense for the year	-	-	1,658,004	1,658,004
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,658,004	1,658,004
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	-	-	-
Balance at 30 June 2021	<u>67,635,788</u>	<u>-</u>	<u>(56,949,804)</u>	<u>10,685,984</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

First Growth Funds Limited
Consolidated statement of cash flows
For the year ended 30 June 2021

	Consolidated	
Note	30 Jun 2021	30 Jun 2020
	\$	\$
Cash flows from operating activities		
Profit before income tax expense for the year	1,658,004	934,339
Adjustments for:		
Fair value adjustments through profit and loss	(1,747,530)	(2,798,472)
Other investment losses	6,341	-
Impairment reversal - loans	(103,437)	-
Impairment of inventory	-	638,252
Advisory fees settled in shares	-	(45,455)
	<u>(186,622)</u>	<u>(1,271,336)</u>
Change in operating assets and liabilities:		
Decrease in trade and other receivables	2,103	29,150
Decrease in inventories (cryptocurrencies)	47,200	-
Decrease / (increase) financial assets	(3,315,535)	3,158,687
Decrease / (increase) in other current assets	11,328	(11,328)
Decrease in trade and other payables	(52,072)	(21,389)
	<u>(3,493,598)</u>	<u>1,883,784</u>
Net cash from/(used in) operating activities		
	<u>(3,493,598)</u>	<u>1,883,784</u>
Cash flows from investing activities		
Proceed from disposal of intangible asset	-	210,086
Net cash from investing activities	<u>-</u>	<u>210,086</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>(3,493,598)</u>	<u>2,093,870</u>
Cash and cash equivalents at the beginning of the financial year	<u>4,349,767</u>	<u>2,255,897</u>
Cash and cash equivalents at the end of the financial year	7 <u><u>856,169</u></u>	<u><u>4,349,767</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 1. Significant accounting policies

This note provides an overview of the Group's accounting policies that relate to the preparation of the financial report as a whole and do not relate to specific items. Accounting policies for specific items in the consolidated statement of financial position or consolidated statement of profit or loss and other comprehensive income have been included in the respective note.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, without material impact.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Classifications

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The financial statements are prepared in accordance with the same accounting principles for the reporting period and the comparative period presented.

Going concern

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and at least one year from the date of signing.

Rounding of amounts to nearest dollar

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to rounding in Financial/Directors' Reports amounts in the Directors' report. Amounts in the Directors' report and Financial Statements have been rounded off in accordance with the instrument to the nearest dollar.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of First Growth Funds Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. First Growth Funds Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 1. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is First Growth Funds Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, investment portfolio and geographic regions in which the Group operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred income taxes

The Company recognises the deferred tax benefit of deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets. There are no deferred tax balances recognised.

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 2. Critical accounting judgements, estimates and assumptions (continued)

In assessing the probability of realising income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. There are no income tax or liabilities recognised.

Investment entity

Management have determined that the Group is not an investment entity pursuant to AASB 10, which defines several characteristics of an investment entity. The Group does not provide investment management services for fees. The Company's business activities consist primarily of advisory services and finder's fees. The Group realises capital appreciation and investment income; however, this is not the primary business activity. The Group does not measure and evaluate substantially all its investments at fair value. Accordingly, management has determined the Group is not an investment entity pursuant to AASB 10.

Valuation of financial assets

The Group invests in various financial instruments exposing it to a number of financial risks, including market risk, credit risk and liquidity risk.

Financial assets (refer note 10 'Financial assets') include listed and unlisted securities, convertible notes and any associated accrued interest. Listed securities are classified under Australian Accounting Standards as "level 1" (i.e. where the valuation is based on quoted prices in the market), unlisted securities are classified as "level 3" (i.e. where inputs are unobservable) and convertible notes are accounted for at amortised cost.

Accounting for digital currency assets (cryptocurrencies)

Digital currency assets are classified as inventories (ICO tokens) or intangible assets (pre- ICO tokens) Judgement is required to apply the lower of cost or net realisable value test to inventories.

Inventories (refer to note 9 'Inventories (cryptocurrencies)') are measured at the lower of cost or net realisable value.

Going concern

These financial statements have been prepared on a going concern basis which assumes that the Company is a will continue in operation for the foreseeable future and at least one year from the date of signing.

Classifications

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The financial statements are prepared in accordance with the same accounting principles for the reporting period and the comparative period presented.

Note 3. Operating segments

The Group's operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The Director are of the opinion that there is one reportable segment in the Group as the CODM reviews results, assess performance and allocates resources at a Group level.

As the information reported to the CODM is the consolidated results of the Group, the segment results are shown throughout these financial statements and are not duplicated here.

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 4. Net income (loss) from continuing operations

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
Advisory / Commission income	100,500	45,455
Digital currency sales (inventories)	907,052	249,835
Revenue from contracts with customers	<u>1,007,552</u>	<u>295,290</u>
Government grants	10,000	10,000
Revenue from continuing operations	<u>10,000</u>	<u>10,000</u>
Direct costs	<u>(47,200)</u>	<u>(251,705)</u>
Net income (loss) from continuing operations	<u><u>970,352</u></u>	<u><u>53,585</u></u>

Accounting policy for revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue from contracts with customers - sales of inventories (cryptocurrencies)

Revenue from the sale of inventories is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Revenue from contracts with customers - advisory and commission income

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Net gain / (losses) on investments and other financial assets

Gains and losses arising from disposal and changes in fair value of investments and other financial assets are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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Note 5. Expenses

	Consolidated	30 Jun 2021	30 Jun 2020
	\$	\$	\$

Profit before income tax includes the following specific expenses:

Impairment

Intangible assets recoveries **	100,243	-	-
Inventory write downs (see note 9 'Inventories (cryptocurrencies)')	-	(638,252)	-
Loan receivable recoveries (see note 8 'Trade and other receivables')	3,194	-	-
	103,437	(638,252)	-
Total impairment recoveries / (expense)	103,437	(638,252)	-

** Recoveries from previously impaired intangible assets were received from a counterparty whom had defaulted against a refund due under arrangements to terminate a cryptocurrency token contract.

Note 6. Income tax

	Consolidated	30 Jun 2021	30 Jun 2020
	\$	\$	\$

Numerical reconciliation of income tax expense and tax at the statutory rate

Profit before income tax expense	1,658,004	934,339	
Tax at the statutory tax rate of 26% (2020: 27.5%)	431,081	256,943	
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Deferred tax asset/(liability) not recognised	(431,081)	(256,943)	
Income tax expense	-	-	

Potential tax benefits from tax losses (set out below) have not been recognised as the Directors do not believe the conditions for recovery can be met.

	Consolidated	30 Jun 2021	30 Jun 2020
	\$	\$	\$

Tax losses not recognised

Unused tax losses for which no deferred tax asset has been recognised	22,689,376	22,701,718	
Potential tax benefit @ 25% (2020: 26%)	5,672,344	5,382,447	
Franking credits available for subsequent financial years based on a tax rate of 25% (2020: 26%)	14,781	14,781	

During the year the Australian Tax Office announced that the applicable corporate income tax rate for the year ending 30 June 2022 was 25% (2021: 26%). The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Franking credits

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

First Growth Funds Limited
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Note 6. Income tax (continued)

Franking Credits also known as Imputation Credits are a type of tax credit that allows Australian Companies to pass on tax paid at the company level to shareholders. The benefits are these franking credits can be used to reduce income tax paid on dividends or potentially be received as a tax refund.

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The Company and its subsidiaries have not formed an income tax consolidated group under the Australian tax consolidation regime.

Note 7. Cash and cash equivalents

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>856,169</u>	<u>4,349,767</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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Note 8. Trade and other receivables

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
<i>Current assets</i>		
Loans receivable (i)	-	226,022
Impairment allowance for loans receivable	-	(226,022)
	<u>-</u>	<u>-</u>
GST receivable	10,600	12,704
	<u>10,600</u>	<u>12,704</u>

(i) On 1 March 2019 the Group entered into a short-term arrangement with Australian Nutrition and Sports Limited. Australian Nutrition and Sports Limited appointed an Administrator in March 2020 and in May 2020 entered a Deed of Company Arrangement with creditors. This loan was fully impaired as at June 30, 2020 and written off during the current reporting period upon receipt of a first and final distribution under the Deed of Company Arrangement totalling \$3,194.

Allowance for expected credit losses

The Group has recognised a net loss of \$nil (2020: \$nil) for specific debtors for which such evidence exists. Trade receivables past due but not impaired amount to \$nil (2020: \$nil).

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Inventories (cryptocurrencies)

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
<i>Current assets</i>		
Cryptocurrencies held for sale	-	736,181
Provision for impairment	-	(688,981)
	<u>-</u>	<u>47,200</u>

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Notes to the consolidated financial statements
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Note 9. Inventories (cryptocurrencies) (continued)

Accounting policy for inventories

Inventories are measured at the lower of cost and net realisable value. Cryptocurrencies are recognised as inventories where they are held for sale in the ordinary course of business in accordance with guidance provided by the International Financial Reporting Interpretations Committee ('IFRIC') during June 2019. Recoverable amount for cryptocurrencies held for resale is determined with reference to pricing provided on digital currency exchanges.

Cryptocurrency details and movements

As at 30 June 2021, the Group held:

(i) Nil (30 June 2020: 907,730,000) Sovereign Cash Tokens (SOV) tokens. The carrying value of the SOV tokens is \$Nil (30 June 2020: Nil).

(ii) Nil Ethereum ("ETH") tokens. The carrying value of the ETH tokens is \$Nil (30 June 2020: \$47,200).

	Sovereign Cash Tokens		Sovereign Cash Tokens		Bitcoin Tokens		Bitcoin Tokens		Ethereum Tokens		Ethereum Tokens	
	Number	\$	Number	\$	Number	\$	Number	\$	Number	\$	Number	\$
2021												
Balance, July 1, 2020	907,730,000	-	-	-	-	-	255.5	47,200				
Sales	-	-	-	-	-	-	(255.5)	(47,200)				
Written off following impairment	(907,730,000)	-	-	-	-	-	-	-				
Balance, June 30, 2021	-	-	-	-	-	-	-	-				
2020												
Balance, July 1, 2019	907,730,000	638,252	-	-	-	-	255.5	47,200				
Purchases	-	-	23.5	251,704			-	-				
Sales	-	-	(23.5)	(251,704)			-	-				
Transfer from intangibles	-	-	-	-			-	-				
Provision for impairment	-	(638,252)	-	-			-	-				
Balance, June 30, 2020	907,730,000	-	-	-	-	-	255.5	47,200				

First Growth Funds Limited
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Note 10. Financial assets

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
<i>Current assets</i>		
Listed securities at fair value through profit or loss	7,452,658	3,126,095
Unlisted securities at fair value through profit or loss	81,641	-
Unlisted convertible notes at amortised cost	1,000,921	-
	<u>8,535,220</u>	<u>3,126,095</u>
<i>Non-current assets</i>		
Unlisted securities at fair value through profit or loss	1,359,605	864,816
Unlisted convertible notes at amortised cost	-	743,751
	<u>1,359,605</u>	<u>1,608,567</u>
	<u><u>9,894,825</u></u>	<u><u>4,734,662</u></u>

Refer to note 16 for further information on fair value measurement.

Movements between the financial asset carrying amounts at the beginning and end of the current and previous financial year are set out below:

2021	Listed securities	Convertible notes	Unlisted securities	Total
Balance at 1 July 2020	3,126,095	743,751	864,816	4,734,662
Additions	4,068,192	500,000	731,738	5,299,930
Disposal proceeds	(1,881,882)	-	-	(1,881,882)
Fair value through profit or loss	2,140,253	-	(392,723)	1,747,530
Other losses (including loss on convertible note conversion)	-	(6,341)	-	(6,341)
Income accrued	-	926	-	926
Reclassification on conversion	-	(237,415)	237,415	-
Balance at 30 June 2021	<u>7,452,658</u>	<u>1,000,921</u>	<u>1,441,246</u>	<u>9,894,825</u>
Current	7,452,658	1,000,921	81,641	8,535,220
Non current	-	-	1,359,605	1,359,605
	<u>7,452,658</u>	<u>1,000,921</u>	<u>1,441,246</u>	<u>9,894,825</u>

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Note 10. Financial assets (continued)

2020	Listed securities	Convertible notes	Unlisted securities	Total
Balance at 1 July 2019	2,560,894	719,499	1,731,987	5,012,380
Additions	946,933	-	45,401	992,334
Disposal proceeds	(4,092,246)	-	-	(4,092,246)
Fair value through profit or loss	2,665,059	-	132,883	2,797,942
Income accrued	-	23,722	-	23,722
Exchange rate gains/(losses)	-	530	-	530
Reclassification to listed securities	1,045,455	-	(1,045,455)	-
Balance at 30 June 2020	<u>3,126,095</u>	<u>743,751</u>	<u>864,816</u>	<u>4,734,662</u>
Current	3,126,095	-	-	3,126,095
Non current	-	743,751	864,816	1,608,567
	<u>3,126,095</u>	<u>743,751</u>	<u>864,816</u>	<u>4,734,662</u>

Accounting policies for investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at amortised cost

Amortised cost consists of the initial recognition amount, subsequent recognition of interest income/expense using the effective interest method, and any applicable credit losses.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through profit and loss. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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Note 11. Other assets

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
<i>Current assets</i>		
Prepayments	-	11,328
	<u> </u>	<u> </u>

Note 12. Trade and other payables

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	30,929	32,151
Other payables and accruals	44,681	95,530
	<u> </u>	<u> </u>
	<u>75,610</u>	<u>127,681</u>

Refer to note 15 for further information on financial risk management.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Issued capital

	Consolidated			
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>77,798,218</u>	<u>77,798,218</u>	<u>67,635,788</u>	<u>67,635,788</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

For resolutions determined by a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. The Company will call for a poll or substantive resolutions.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Accounting policy for issued capital

Ordinary shares are classified as equity.

First Growth Funds Limited
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Note 13. Issued capital (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 14. Options

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
Share based payment reserve	-	-
Number of options on issue	2021	2020
	# Options	# Options
Balance at start of year	-	10,000,000
Option consolidation	-	(9,500,000)
Advisor options issued	1,000,000	-
Options expired	-	(500,000)
	<u>1,000,000</u>	<u>-</u>

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:

Grant date	August 4 2020	August 6 2020
Number granted	500,000	500,000
Exercise price (Canadian dollars)	\$0.28	\$0.28
Expired date	August 4 2021	August 6 2021

Note 15. 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.

- Foreign currency risk
- Price risk
- Interest rate risk

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Note 15. Financial risk management (continued)

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's exposure to foreign currency risk arises from financial assets held in United States of America and Canadian dollars.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$
US dollars	1,164,850	826,107	-	-
Canadian dollars	501,970	1,784,849	-	-
	<u>1,666,820</u>	<u>2,610,956</u>	<u>-</u>	<u>-</u>

The Group had assets denominated in foreign currencies of \$1,666,820 (2020: 2,610,956). The table below shows the Group profit before tax and equity impact of a 10% strengthening and 10% weakening of the Australian dollar as at the reporting date. The percentage change is the expected overall volatility of the significant currencies, which is based on an assessment of reasonable possible fluctuations taking into consideration movements over the previous 12 months and the spot rate as at reporting date.

Consolidated - 30 Jun 2021	% change	AUD weakened		% change	AUD strengthened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
USD Assets	10%	115,536	115,536	10%	(115,536)	(115,536)
CAD Assets	10%	50,197	50,197	10%	(50,197)	(50,197)
		<u>165,733</u>	<u>165,733</u>		<u>(165,733)</u>	<u>(165,733)</u>

Consolidated - 30 Jun 2020	% change	AUD weakened		% change	AUD strengthened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
USD Assets	10%	82,611	82,611	10%	(82,611)	(82,611)
CAD Assets	10%	178,485	178,485	10%	(178,485)	(178,485)
		<u>261,096</u>	<u>261,096</u>		<u>(261,096)</u>	<u>(261,096)</u>

Price risk

The Group's exposure to equity securities price risk arises from investments 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% (2020:10%) the impact on the Group's result before tax and net assets would have been:

Consolidated - 30 Jun 2021	% change	Average price increase		% change	Average price decrease	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Listed securities	10%	<u>745,266</u>	<u>745,266</u>	10%	<u>(745,266)</u>	<u>(745,266)</u>

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Note 15. Financial risk management (continued)

Consolidated - 30 Jun 2020	% change	Average price increase		Average price decrease		
		Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity	
Listed securities	10%	<u>312,610</u>	<u>312,610</u>	10%	<u>(312,610)</u>	<u>(312,610)</u>

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 Group customers based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group has a total credit risk exposure of \$1,000,921 (2020: \$743,751) on its convertible notes invested with various parties at reporting date. The Group will seek, where appropriate, to hold collateral as security against such investments. The Group has not impaired convertible note investments. (2020: \$nil).

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.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 Jun 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	<u>75,610</u>	-	-	-	<u>75,610</u>
Total non-derivatives		<u>75,610</u>	-	-	-	<u>75,610</u>

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Note 15. Financial risk management (continued)

Consolidated - 30 Jun 2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	127,681	-	-	-	127,681
Total non-derivatives		127,681	-	-	-	127,681

Note 16. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 Jun 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Financial assets at fair value through profit or loss</i>				
Listed securities (i)	7,118,719	-	333,939	7,452,658
Unlisted securities (ii) & (iii)	-	15,090	1,426,156	1,441,246
Total assets	7,118,719	15,090	1,760,095	8,893,904
Consolidated - 30 Jun 2020				
<i>Financial assets at fair value through profit or loss</i>				
Listed securities (i)	1,341,246	-	1,784,849	3,126,095
Unlisted securities (ii) & (iii)	-	281,536	583,280	864,816
Total assets	1,341,246	281,536	2,368,129	3,990,911

(i) Quoted trading prices in active markets are not always available for listed securities. Where there are no observable valuation inputs, investments in listed securities are classified as Level 3 in the fair value hierarchy. To determine the enterprise value as an approximation of fair value of a listed security classified as Level 3, conservative revenue multiples were applied in previous reporting periods. However during the current reporting period the listed entity experienced a major revenue deterioration, accordingly, it was determined that net asset backing per share was a more appropriate method to determine the enterprise value of the investee company which operates in the payment processing sector.

The fair value of this level 3 investment includes unrealised fair value losses of \$1,450,910 recognised through current year period or loss (30 June 2020: \$739,384 gain). The investee company, SQID Technologies Limited listed on the CSE in January 2020 and prior to listing the investment's fair value represented the consideration transferred to acquire an interest in the investment. Since listing the volume of shares traded are considered too low to conclude that an active market existed as at reporting date, therefore an alternative fair value approach was adopted.

(ii) Investments in unlisted securities valued at fair value and classified as Level 2 within the fair value hierarchy relate to unlisted options issued by listed entities. The fair value for the options is pegged to the trading prices for the related listed securities.

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Note 16. Fair value measurement (continued)

(iii) Investments in unlisted securities valued at fair value and classified as Level 3 within the fair value hierarchy. The Directors have considered the available information regarding these investments and believe it is currently appropriate to recognise a fair value of \$1,426,156 (30 June 2020: \$583,280) based on either consideration the Group has paid for recent acquisitions or where applicable recent consideration paid by other investors.

(iv) *Sensitivity tables*

The table below sets out the potential impact to profit before tax and equity resulting from a 20% increase and 20% decrease in the fair values of investments categorised as Level 3 in the fair value hierarchy.

	Increase 20%	Increase 20%	Decrease 20%	Decrease 20%
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Listed securities	66,788	66,788	(66,788)	(66,788)
Unlisted securities	285,231	285,231	(285,231)	(285,231)
Consolidated - 30 Jun 2021	<u>352,019</u>	<u>352,019</u>	<u>(352,019)</u>	<u>(352,019)</u>
Listed securities	356,970	356,970	(356,970)	(356,970)
Unlisted securities	116,656	116,656	(116,656)	(116,656)
Consolidated - 30 Jun 2020	<u>473,626</u>	<u>473,626</u>	<u>(473,626)</u>	<u>(473,626)</u>

Movements in level three hierarchy assets

During the reporting period, the carrying value of investments classified as level 3 under the fair value hierarchy decreased by \$608,034 to \$1,760,095. The decrease comprised a \$1,450,910 fair value loss against listed investments and a \$842,876 net increase in the carrying value of unlisted investments. The increase in the carrying value of unlisted investments comprised new investments of \$731,738, a convertible note conversion to unlisted equities of \$237,415 and net fair value losses of \$126,277. Overall, the profit and loss includes net fair value losses of \$1,577,187 attributable to investments classified as level 3 under the fair value hierarchy.

Fair values of other financial assets and liabilities

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The carrying value of convertible notes at amortised cost is also considered to approximate their value.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 16. Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers will be selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

The Group policy is to reassess the fair value hierarchy level for each investment at the end of each reporting period. Where applicable investments will be transferred between fair value hierarchy levels at the most recent fair value determination prior to the transfer. There were no transfers between fair value hierarchy levels during the reporting period.

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
Short-term employee benefits - key management personnel	400,000	420,000
Independent Directors of First Growth Advisory Pty Ltd (a wholly owned subsidiary)	42,500	60,000
	442,500	480,000

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the Company:

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
<i>Audit services - Pitcher Partners</i>		
Audit or review of the financial statements	56,000	60,250
<i>Other services - Pitcher Partners</i>		
Tax compliance services	8,400	6,730
Other advisory services	-	31,300
	8,400	38,030
	64,400	98,280

Note 19. Commitments

Nil. (2020: Nil)

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 20. Related party transactions

Parent entity

First Growth Funds Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Associates

Interests in associates are set out in note 23.

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
Payment for goods and services:		
Investment trade brokerage from Peloton Capital Pty Ltd (a related entity of Geoff Barnes)	10,809	16,844
Consulting services from Dalext Pty Ltd (a related entity of Athan Lekkas)	130,000	90,000

	Consolidated	
	30 Jun 2021	30 Jun 2020
Current payables:		
Polygon Fund Limited – Anoosh Manzoori (Director fees)	20,000	20,000
Dalext Pty Ltd - Athan Lekkas (consulting fees)	5,000	-
	25,000	20,000

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 Jun 2021	30 Jun 2020
	\$	\$
Profit after income tax	1,658,004	934,339
Total comprehensive income	1,658,004	934,339

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 21. Parent entity information (continued)

Statement of financial position

	Parent	
	30 Jun 2021	30 Jun 2020
	\$	\$
Total current assets	9,401,989	7,547,094
Total assets	10,761,594	9,155,661
Total current liabilities	75,610	127,681
Total liabilities	75,610	127,681
Equity		
Issued capital	67,635,788	67,635,788
Accumulated losses	(56,949,804)	(58,607,808)
Total equity	<u>10,685,984</u>	<u>9,027,980</u>

Guarantees entered into by the Company in relation to the debts of its subsidiaries

The Company had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The Company entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The Company had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1 'Significant accounting policies':

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2021	30 Jun 2020
		%	%
ICO-AN Pty Ltd	Australia	100.00%	100.00%
First Growth Advisory Pty Ltd	Australia	100.00%	100.00%

Note 23. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2021	30 Jun 2020
		%	%
Cryptondata Vault LLC (ordinary shares)	United States of America	50.00%	50.00%

The carrying value of the interests in associates is nil after an impairment of \$332,866 was booked during the year ended 30 June 2019.

First Growth Funds Limited
Notes to the consolidated financial statements
For the year ended 30 June 2021

Note 24. Earnings per share

	Consolidated	
	30 Jun 2021	30 Jun 2020
	\$	\$
Profit after income tax	<u>1,658,004</u>	<u>934,339</u>
	Cents	Cents
Basic earnings per share	2.131	1.201
Diluted earnings per share	2.131	1.201
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>77,798,218</u>	<u>77,798,218</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>77,798,218</u>	<u>77,798,218</u>

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of First Growth Funds Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 25. Events after the reporting period

On 13 July 2021 Vello Technologies Inc (an investee company) agreed to unwind a share swap agreement which will result in the cancellation of 20 million shares and effectively return the ownership of Vello Technologies Pty Ltd back to the Australian shareholders. The cancellation of the shares will result in the Group holding a greater than 20% interest in Vello Technologies Inc and thereby in a position to exert significant influence which will require the Group to equity account its Vello related interests in subsequent reporting periods.

As at 6 August 2021 the 1,000,000 options issued to third parties in August 2020 had lapsed. The Group now has no outstanding options on issue.

On 13 August 2021 investee company Helbiz, Inc. ("Helbiz"), a global leader in micro-mobility, began trading on Nasdaq under the ticker HLBZ. As at 28 September 2021, the value of the Company's 38,762 shares held had increased 86% from listing date to \$1,052,030.

As at 28 September 2021 the trading price of Magnum Mining Exploration Limited shares and options (ASX:MGU, ASX:MGUO) and had fallen 61% and 77% respectively resulting in a \$3,490,700 decrease in the carrying value of the investment to \$1,951,800.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

First Growth Funds Limited
Directors' declaration
For the year ended 30 June 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Anoosh Manzoori
Executive Chairman

1 October 2021

Independent Auditor's Report to the Members of First Growth Funds Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of First Growth Funds Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><i>Valuation of financial assets \$9,894,825</i> Refer to note 10</p>	
<p>The Group invest in various financial instruments exposing it to a number of financial risks, including market risk, credit risk and liquidity risk.</p> <p>As at 30 June 2021 financial assets total \$9,894,825 and include listed and unlisted securities at fair value through profit or loss, and convertible notes at amortised cost.</p> <p>Financial assets at fair value through profit or loss are classified according to the fair value hierarchy within AASB 13 <i>Fair Value Measurement</i> as follows:</p> <ul style="list-style-type: none"> • Level 1 (i.e. inputs are quoted prices in active markets for identical assets); • Level 2 (i.e. inputs other than quoted prices included within level 1 that are observable, either directly or indirectly); or • Level 3 (i.e. inputs are unobservable). <p>This is assessed as a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance, representing 92% of total assets; • The significant judgements and assumptions required for inputs used in the different valuation methodologies applied for level 2 and level 3 assets; and • Complexity associated with the accounting for these financial assets. 	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding and evaluating the relevant controls associated with the acquisition and accurate measurement of financial assets; • Reviewing portfolio valuations obtained from third parties which confirmed the quantity of listed shares held and their market value at the reporting date; • Recalculating the fair value gain or loss recognised in the profit or loss arising from mark to market adjustments at the reporting date; • Assessing the reasonableness of valuation methodologies applied and accuracy of the underlying data; • Comparing the adopted fair value for investments to recent capital raises conducted by the investees; • Examining financial and non-financial information published by the investees or in respect to investment to determine if there has been any indication of a change in fair value; • Performing a subsequent event review on investments to determine if actual outcomes differ to the fair value adopted at reporting date; • Recalculating interest accrued on convertible notes and ensuring it is in accordance with the contractual terms governing the financial instrument; • Considering the recoverability convertible notes through conversion into shares or redemption for cash or another financial asset; and • Assessing the adequacy of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Director's Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of First Growth Funds Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

PITCHER PARTNERS



DANIEL COLWELL
Partner

Brisbane, Queensland
1 October 2021

Schedule A-1. Management Discussion and Analysis

FIRST GROWTH FUNDS LIMITED (CSE:FGFL)

Management Discussion and Analysis

For the twelve months ended June 30, 2021

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

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FIRST GROWTH FUNDS LIMITED (CSE:FGFL)
Management Discussion and Analysis
For the twelve months ended June 30, 2021

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

1.1 – Date and Basis of Discussion & Analysis

This management discussion and analysis (“MD&A”) is dated as of 1 October, 2021 and should be read in conjunction with the audited annual financial statements of First Growth Funds Limited for the year ended June 30, 2021 (“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 14 October 1986 under the *Corporations Act* (Australia) with Australian company number (“ACN”) 006 648 835 It went through several name changes: and on 29 March 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 17 November 2017 pursuant to the *Corporations Act* (Australia).
- 2) First Growth Advisory Pty Ltd., (“FGA”) incorporated 8 December 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.

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 Policies, 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*” including the asset allocation section

Trends

See “*1.4 Selected Annual Information*”

FIRST GROWTH FUNDS LIMITED (CSE:FGFL)
Management Discussion and Analysis
For the twelve months ended June 30, 2021

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

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 31 December 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 participation in pre or post IPO placements. In some cases the Company earns placement facilitation advisory fees.

Asset Allocation

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

Asset type	Note	As at 30 Jun 2020		As at 31 Dec 2020		As at 30 June 2021	
		\$	%	\$	%	\$	%
Cash		4,349,321	47.7%	856,169	7.96%	1,046,661	11.65%
Current financial assets (listed)		3,126,095	34.2%	7,452,658	69.32%	5,726,591	63.75%
Current financial assets (unlisted)	i	-	0.00%	500,921	4.66%	500,956	5.58%
Non-current financial assets (unlisted)		1,608,557	17.6%	1,941,246	18.06%	1,660,949	18.49%
Inventories	ii	47,200	0.5%	0	0.00%	47,200	0.53%
Total		9,131,173	100.0%	10,750,994	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 21 October 2021.
- ii. Inventories comprised Cryptocurrency (Ethereum tokens) held for resale and carried at cost. The Ethereum tokens were sold during the current quarter
- iii. New investments during the fiscal year totalled \$5,299,930.

Material Agreements

No new material agreements were entered into during the quarter ending 30 June 2021.

FIRST GROWTH FUNDS LIMITED (CSE:FGFL)
Management Discussion and Analysis
For the twelve months ended June 30, 2021

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

1.4 – Selected Annual Information

	As at	June 30 2021	June 30 2020	June 30 2019
		\$	\$	\$
Current Assets		9,401,989	7,547,094	5,791,225
Other Assets		1,359,605	1,608,567	2,451,486
Total Assets		10,761,594	9,155,661	8,242,711
Current Liabilities		(75,610)	(127,681)	(149,070)
Net Assets		10,685,984	9,027,980	8,093,641
Shareholders' Equity		67,635,788	67,635,788	67,654,944
Deficit		(56,949,804)	(58,607,808)	(59,561,303)
Total Shareholders' Equity		10,685,984	9,027,980	8,093,641
Years Ended				
Revenue		1,017,552	305,290	235,464
Direct costs		(47,200)	(251,705)	(289,766)
Net income (loss) from continuing operations		970,352	53,585	(54,302)
Net income (loss) from investments*		1,869,370	2,240,253	(2,101,135)
Operating expenses		(1,181,718)	(1,359,499)	(1,761,086)
Comprehensive income (loss)		1,658,004	934,339	(3,916,523)

* The 2019 Net income (loss) from investments includes "Profit from discontinued operations" which was disclosed separately in the 2019 Audited Financial statements.

Cash dividends declared per Ordinary Share	-	-	-
Basic and diluted earnings per share (cents)	2.131	1.201	(5.058)
Weighted average number of Ordinary Shares outstanding*	77,798,218	77,798,218	77,434,265

* The weighted average number of Ordinary Shares have been adjusted pursuant to a share consolidation completed on December 2 2019, whereby, 1,555,959,281 Ordinary Shares were consolidated on the basis of one new Ordinary Share for 20 old Ordinary Shares. Post consolidation there were 77,798,218 shares on issue.

The profit for the Group after providing for income tax amounted to \$1,658,004 (30 June 2020: \$934,339).

For the year ended 30 June 2021, the net consolidated profit was \$1,658,004 (30 June 2020: \$934,339) and net cash outflow from operating activities was \$3,493,598 (2020: \$1,883,784 inflow from operating activities). Net cash outflow from operating activities includes net financial asset acquisitions totalling \$3,315,005 (2020: \$3,158,687 net proceeds from disposal).

As at 30 June 2021, total assets were \$10,761,594 (2020: \$9,155,661) and net assets were \$10,685,984 (2020: \$9,027,980).

FIRST GROWTH FUNDS LIMITED (CSE:FGFL)

Management Discussion and Analysis

For the twelve months ended June 30, 2021

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

During the year ended 30 June 2021, the Group:

- recorded net income from continuing operations of \$970,352 (2020: \$53,585) including profit on sale of cryptocurrency \$859,852 (2020: \$1,870 loss), advisory fees and commissions of \$100,500 (2020: 45,455) and other income of \$10,000 (2020: \$10,000). The Group currently has no exposure to cryptocurrency assets.
- recorded net income from investments of \$1,869,370 (2020: \$2,240,253) comprising interest revenue \$55,155 (2020: \$95,680), net financial asset fair value gains \$1,747,530 (2020: \$2,798,472), recoveries from previously impaired assets \$103,437 (2020: \$638,252 impairment expense) and other losses \$36,712 (2020: \$15,627). The net financial asset gains include listed security net fair value gains totalling \$2,140,253 and unlisted security fair value losses totalling \$392,723. The Group recorded a fair value gain of \$3,922,601 from the Group's interest in Magnum Mining and Exploration Limited (ASX:MGU) acquired during the year. This was partly offset by a fair value loss of \$1,450,910 against the Group's 14.4% interest in SQID Technologies Limited (CSE: SQID). The unlisted security fair value losses totalling \$392,723 largely relate to losses booked against the Group's interest in the Canadian based Vello Technologies Inc following its unsuccessful application to list on the Canadian Securities Exchange (CSE). During the reporting period Vello Technologies Inc acquired the Australian based Vello Technologies under a share swap agreement. These losses were partly offset by fair value gains totalling \$384,031 from pre-IPO holdings including gains of \$271,970 from the investment in the United States based Helbiz Inc, which listed on nasdaq on 13 August 2021.
- incurred operating expenses of \$1,181,718 (2020: \$1,359,499). The decrease in the current reporting period is largely due to one off prior period legal, advisory and travel costs attributable to the prior year CSE listing application, partly offset by consulting fees paid to new Canadian based corporate and investor relations advisors appointed in August 2020.

Cash balances at the end of the reporting period were \$856,169 (30 June 2020: \$4,349,767). The decrease in cash balances of \$3,493,598 is largely due to on-going investments in listed and unlisted financial assets. The major investments during the year include Magnum Mining and Exploration Limited (ASX:MGU) \$1,519,898, SportsHero Limited (ASX:SHO) \$430,000, a pre-IPO convertible loan issued by Harranga Resources Limited \$500,000 and \$452,641 for the Canadian based Vello Technologies Inc which acquired the Australian based Vello Technologies Pty Ltd ("Vello"). Vello is set up to provide a fintech platform for social media that allows celebrities and influencers the opportunity to charge access for their premium content on social media.

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1.4 – Results of Operations

Quarters Ended	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19
Income (Loss) from continuing operations								
Revenue	911,752	47,000	56,000	2,800	259,835	-	45,455	-
Direct costs	(47,200)	-	-	-	(251,705)	-	-	-
Net income (loss) from continuing operations	864,552	47,000	56,000	2,800	8,130	-	45,455	-
Income (Loss) from investments								
Interest revenue	12,554	12,727	14,111	15,723	23,588	23,577	25,712	22,783
Dividend revenue	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	1,166,157	1,546,470	(766,778)	(204,130)	1,744,558	534,666	(56,649)	575,897
Asset impairments	-	100,243	3,194	-	(638,252)	-	-	-
Other gains and losses	(10,385)	(3,275)	(10,286)	(6,955)	(18,809)	3,182	-	-
Net income (loss) from investments	1,168,326	1,656,165	(759,759)	(195,362)	1,111,085	561,425	(30,937)	598,680
Net income (loss)	2,032,878	1,703,165	(703,759)	(192,562)	1,119,215	561,425	14,518	598,680
Operating expenses								
AFSL support fees	9,000	9,000	9,000	9,000	9,000	8,568	9,185	9,247
Director related costs	92,500	112,500	117,500	120,000	120,000	120,000	118,558	121,442
Director- share based payments	-	-	-	-	-	-	-	-
Insurance and professional fees	161,175	152,355	133,410	116,652	159,012	104,478	189,110	142,957
Listing and share registry fees	11,120	10,615	39,215	14,749	52,147	-	13,304	33,944
Travel expenses	13,832	-	-	-	(431)	-	17,539	39,595
Other expenses	11,644	12,081	14,416	11,954	6,364	35,165	45,081	5,234
Total operating expenses	299,271	296,551	313,541	272,355	346,092	268,211	392,777	352,419
Comprehensive Income (Loss)	1,733,607	1,406,614	(1,017,300)	(464,917)	773,123	293,214	(378,259)	246,261
Basic and diluted earnings cents per share (adjusted)**	2.228	1.808	(1.308)	(0.598)	0.969	0.402	(0.486)	0.317
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 June 30, 2021

Net comprehensive profit after income tax was \$1,733,607 (2020: \$773,123). In the previous quarter ended 31 March 2021, the reported profit was \$1,406,614.

During the three months ended 30 June 2021, the Group:

- recorded net income from continuing operations of \$864,552 (2020: \$8,130) including profit on sale of cryptocurrency \$859,852 relating to the profit on sale from the sale of cryptocurrency. The prior period balance relates to advisory fees.
- recorded net investment income of \$1,168,326 (2020: \$1,111,085). Net investment income includes \$2,250,000 (2020: Nil) fair value gains relating to the Magnum Mining and Exploration Limited (ASX:MGU) shares and options acquired during January and February 2021 and gains of \$322,000 from the investment in the United States based Helbiz Inc, which listed on nasdaq on 13 August 2021. Other major contributing items include fair value losses recorded against other ASX listed investments \$671,000, Vello investment \$567,000 and SQID Technologies Limited (CSE:SQID) \$149,000
- incurred operating expenses of \$299,271 (2020: \$346,092) The decrease over the prior corresponding period largely relates to professional fees incurred leading up to CSE listing on 29 June 2020.

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1.5 – Summary of Quarterly Financial Position

	As at	30-Jun-21	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		856,169	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		10,600	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		7,953,579	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		8,820,348	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		1,941,246	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		-	-	-	-	-	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-	-
Total Non-current Assets		1,941,246	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)		10,761,594	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		75,610	50,209	52,548	120,756	127,681	72,003	106,649	132,736	149,070
Total Current Liabilities		75,610	50,209	52,548	120,756	127,681	72,003	106,649	132,736	149,070
Total Liabilities		75,610	50,209	52,548	120,756	127,681	72,003	106,649	132,736	149,070
Net Assets		10,685,984	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	67,635,788
Reserves		-	-	-	-	-	-	19,156	19,156	19,156
Retained Earnings		(56,949,804)	(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		10,685,984	8,952,377	7,545,763	8,563,063	9,027,980	8,254,857	7,961,643	8,339,902	8,093,641

Note 1 Total assets reconciled to portfolio investments

	30-Jun-21	30-Jun-21	31-Mar-21	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
Net assets	10,761,594	9,002,586	7,598,311	8,683,819	9,155,661	8,326,860	8,068,292	8,472,638	8,242,711
Other current assets	-	(15,160)	(28,496)	(47,301)	(11,328)	(21,418)	(32,663)	(32,956)	0
Receivables	(10,600)	(5,069)	(5,071)	(13,229)	(12,704)	(4,342)	(12,319)	(15,862)	(78,896)
Portfolio investments	10,750,994	8,982,357	7,564,744	8,623,289	9,131,629	8,301,100	8,023,310	8,423,820	8,163,815

During the quarter cash balances decreased by \$190,492 to \$856,169. The movement includes \$907,052 proceeds from the sale of cryptocurrency and a \$840,238 net financial asset investment. The new investments included Magnum Mining and Exploration Limited (ASX:MGU) of \$461,439, pre-IPO funding for Haranga Resources Limited in the form of a converting loan \$500,000 and put and call option arrangement in relation to Dotz Limited (ASX:DTZ) and unlisted foreign entity \$129,470.

1.6 – Liquidity and Capital Resources

As at 30 June 2021:

- the Company had current assets totalling \$9,401,989 (30 June 2020: \$7,547,094) and
- shareholder's equity of \$10,685,984 (30 June 2020: \$9,027,980).

1.7 – Off Balance Sheet Arrangements

As at 30 June 2021, there were no off-balance sheet arrangements to which the Group was committed.

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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.

	Twelve months ended	
	June 30 2021	June 30 2020
Transactions**	\$	\$
Director fees (Parent)***		
Anoosh Manzoori	240,000	240,000
Geoff Barnes	60,000	60,000
Michael Clarke	60,000	60,000
Athan Lekkas	40,000	60,000
Other director fees (wholly owned subsidiaries)	42,500	60,000
	442,500	480,000
Advisory - Dalext Pty Ltd. ⁽²⁾	130,000	90,000
** <i>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.</i>		
*** <i>Director fees are paid to director-controlled entities</i>		
No post-employment benefits, other long-term benefits and termination benefits were paid.		
Balances	30 June 2021	30 June 2020
	\$	\$
Accounts Payable and accruals		
Polygon Fund Pty Ltd. ⁽¹⁾	20,000	20,000
Dalext Pty Ltd. ⁽²⁾	5,000	-
	25,000	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 June 30 2021
Geoff Barnes	6,400,000	-	6,400,000
Michael Clarke	751,516	-	751,516
Athan Lekkas	2,037,274	-	2,037,274
Anoosh Manzoori	4,846,756	-	4,846,756
	14,035,546		14,035,546

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

The directors do not hold any options.

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Other director positions held by directors

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

1.9 Fourth Quarter – refer to section 1.4.

1.10 – Proposed Transactions

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

1.11 – Critical Accounting Estimates

Refer to the Audited Financial Statements for the year ended 30 June 2021 - Note 2. Critical accounting judgements, estimates and assumptions.

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

Refer to the Audited Financial Statements for the year ended 30 June 2021 - Note 15. Financial risk management.

Part B Fair Value Measurement

Refer to the Audited Financial Statements for the year ended 30 June 2021 - Note 16. Fair value measurement.

1.14 – Other MD&A Requirements

Share Capital

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

Refer to the Audited Financial Statements for the year ended 30 June 2021 - Note 13. Issued capital.

Share Options – now expired

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

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

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1.15– Subsequent events

1. On 13 July 2021 Vello Technologies Inc (an investee company) agreed to unwind a share swap agreement which will result in the cancellation of 20 million shares and effectively return the ownership of Vello Technologies Pty Ltd back to the Australian shareholders. The cancellation of the shares will result in the Group holding a greater than 20% interest in Vello Technologies Inc and thereby in a position to exert significant influence which will require the Group to equity account its Vello related interests in subsequent reporting periods.
2. At at 6 August 2021 the 1,000,000 options issued to third parties in August 2020 had lapsed. The Group now has no outstanding options on issue.
3. On 13 August 2021 investee company Helbiz, Inc. ("Helbiz"), a global leader in micro-mobility, began trading on Nasdaq under the ticker HLBZ. As at 28 September 2021, the value of the Company's 38,762 shares held had increased 86% from listing date to \$1,052,030.
4. As at 28 September 2021 the trading price of Magnum Mining Exploration Limited shares and options (ASX:MGU, ASX:MGUO) and had fallen 61% and 77% respectively resulting in a \$3,490,700 decrease in the carrying value of the investment to \$1,951,800.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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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.

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

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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: The Company's assets may be susceptible to rapid technological change and there is no assurance that adequate responses will be made in a timely manner.

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 than 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.

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.

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RISK FACTORS AND UNCERTAINTIES (cont.)

Previously noted Blockchain and digital currency risks.

The Company currently has no exposure to this asset class.

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.

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.

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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.

APPROVAL

The Board of Directors of the Company approved the disclosure contained in this MD&A on 1 October 2021.

SCHEDULE B



FirstGrowthFunds

Finance, Audit and Risk Committee Rules

First Growth Funds Limited
ACN 006 648 835

1 Finance, Audit and Risk Committee Rules

The Finance, Audit and Risk Committee (**Committee**) is established under rule 29 of the Constitution of First Growth Funds Limited (**Company**).

2 Membership of the Committee

2.1 Composition

The Committee should comprise of:

- a minimum of 3 members of the Board;
- only Non-executive Directors;
- a majority of independent Directors; and
- an independent Director who is nominated by the Board as Chair, who is not Chair of the Board.

It is acknowledged that from time to time the composition of the board may not allow for the fulfillment of the committee composition guidelines set out above

2.2 Membership

The Board may appoint additional Non-executive Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board. Any Director not formally a Member of the Committee may attend Committee meetings however only nominated Directors may vote on matters before the Committee.

The Committee Chair may invite non-committee members, including members of management and the external auditor to attend meetings of the Committee.

It is intended that all members of the Committee should be financially literate and have familiarity with financial management and at least one member must be a qualified accountant or other financial professional with appropriate expertise in financial and accounting matters.

The Company Secretary must attend all Committee meetings.

3 Administrative matters

3.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet at least twice per annum.

3.2 Quorum

The quorum is at least 2 members.

3.3 Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee, at the member's advised address for service of notice (or such other pre-notified interim address where relevant). However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

3.4 Rights of access and authority

The Committee has rights of access to management and to auditors (external and internal) without management present, and rights to seek explanations and additional information from both management and auditors. Whilst any internal audit function will report to senior management, it is acknowledged that the internal auditor will also report directly to the Committee.

The Committee may seek the advice of the Company's auditors, solicitors or such other independent advisers as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

3.5 Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chair, be included in the Board papers for the next Board meeting. All minutes of the Committee must be entered into a minute register maintained for that purpose and be open at all times for inspection by any Director.

3.6 Reporting

The Committee Chair will provide a brief oral report to the Board as to any material matters arising out of the Committee meeting. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

4 Role & Responsibilities

4.1 Role

The Committee's primary roles are to:

- (a) oversee the Company's relationship with the external auditor, including the appointment, independence and remuneration of the external auditor;
- (b) oversee the preparation of the financial statements and reports;
- (c) ensure the appropriate application and amendment of accounting policies;
- (d) oversee the Company's financial controls and systems;
- (e) manage the process of identification and management of risk; and
- (f) provide a formal forum for communication between the external auditors, the Board and management of the Company.

4.2 Finance and Audit

The following are intended to form part of the normal procedures for the Committee's finance and audit responsibilities.

Finance

- (a) Engage in the pro-active oversight of the Company's financial reporting and disclosure processes and overseeing and reviewing the outputs of that process as a basis for recommendation to and adoption by the Board.
- (b) Assist the Board in determining the reliability and integrity of accounting policies and financial reporting and disclosure practices.
- (c) Review the appropriateness of the accounting policies adopted by management in the composition and presentation of financial reports (or any changes made or contemplated in relation to the Company's accounting policies) and assess the

management processes supporting external reporting.

- (d) Review financial statements for adherence to accounting standards and policies and other requirements relating to the preparation and presentation of financial results
- (e) Assess any significant estimates or judgments in the Company's financial reports.
- (f) Ensure that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.
- (g) Ensure that appropriate processes are in place to form the basis upon which the Managing Director/CEO and CFO execute their certifications to the Board of Directors at year end under section 295A of the Corporations Act 2001 (Cth) in relation to the systems of internal controls, and that that system is operating effectively in all material respects in relation to financial reporting risks.

Audit

- (a) Approve the selection, appointment and termination of external auditors. Also approve the audit contract, terms of engagement and process for the rotation of external audit engagement partners.
- (b) Review the scope and effectiveness of the annual external audit.
- (c) Review the performance, independence and objectivity of the external auditors.
- (d) Review the results of the external audit of financial reports (including assessing whether external reporting is consistent with the Committee members' information and knowledge, and is adequate for shareholder needs).
- (e) Develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with that policy.
- (f) Oversee the internal audit function and monitor the need for any specific internal audits.

4.3 Risk

The Committee's specific function with respect to risk management is to review and report to the Board that:

- (a) the Company's ongoing risk management program effectively identifies all areas of potential risk;
- (b) adequate policies and procedures have been designed and implemented to manage identified risks;
- (c) the effectiveness and compliance with policies and procedures are reviewed and reported annually;
- (d) proper remedial action is undertaken to redress areas of weakness.

The Committee procedures will include review and approval of:

- (a) management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks;
- (b) financial and operational risk management control systems (including reviewing risk registers and reports from management and external auditors);
- (c) the Company's business continuity plans;
- (d) the adequacy of the Company's own insurances;

- (e) the strategic direction, objectives and effectiveness of the Company's financial and operational risk management policies;
- (f) the establishment and maintenance of processes to ensure that there:
 - (i) are adequate systems of internal control, identification and management of business risks and safeguard of assets; and
 - (ii) is a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- (g) the Group's exposure to fraud, including establishing processes for the prevention, detection and investigation of fraud or malfeasance;
- (h) compliance with regulations including Listing Rules, Corporations Act, AASB requirements, and other best practice corporate governance processes;
- (i) the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards; and
- (j) reviewing and discussing with management and the external auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs.

5 Relationship with the external auditor

The Committee provides a link between the external auditor and the Board and has the responsibility and authority for the appointment and removal of the external auditor and to review the terms of its engagement. Specific activities required in relation to the external auditor are set out in 4.2 above.

6 Authority

The Audit & Corporate Governance Committee shall have the authority to seek any information it requires from any officer or employee of the Company or its controlled entities and such officers or employees shall be instructed by the Board of the Company to respond to such enquiries. The Audit & Corporate Governance Committee is authorized to take such independent professional advice as it considers necessary.

The Audit & Corporate Governance Committee shall have no executive powers with regard to its findings and recommendations.

7 Reporting

The Chairman of the Committee will report the findings and make recommendations to the Board after each Committee meeting.

The minutes of all Committee meetings will be circulated to members of the Board.

8 Performance

The Board will, at least once in each year, review the membership and Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

Schedule C Corporate Governance Policy

Corporate Governance

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to and hereby disclose its corporate governance practices as follows.

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the *Corporation Act 2001*;
- (b) the Company's Constitution; and
- (c) other applicable laws and Company policies.

Board of Directors

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results. The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management.

The Board is responsible for reviewing and approving strategic plans. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan. The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board periodically discusses the systems of internal control with the Company's external auditor. The Board is responsible for choosing the Chief Executive Officer and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Company are not considered independent. Directors who do not also act as officers of the Company, do not work in the day-to-day operations of the Company, are not party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this Prospectus.

The Company's Board consists of four directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Geoff Barnes and Michael Clarke are independent. Anoosh Manzoori is not independent as he is the Company's Chief Executive Officer. Athan Lekkass is not independent as he has a consulting arrangement with the company.

Orientation and Continuing Education

Each new director of the Company is briefed about the nature of the Company's business, its corporate strategy and current issues within the Company. New directors will be encouraged to review the Company's public disclosure records as filed on SEDAR at www.sedar.com after the Company becomes a Reporting Company. Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest

have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board is responsible for setting out the standards and terms for the compensation of the Company's Chief Executive Officer and Chief Financial Officer with reference to industry standards and the financial situation of the Company.

Schedule D Additional voting information

APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying form of proxy (the "Proxy") are officers and/or directors of the Company.

A shareholder of the Company has the right to appoint a person, other than the person designated in the accompanying form of proxy (who need not be a shareholder of the Company, or otherwise entitled to attend and vote at the Meeting) to attend and act for the shareholder and on the shareholder's behalf at the meeting. A shareholder desiring to appoint some other person may do so either by inserting the desired person's name in the blank space provided for that purpose in the accompanying form of proxy or by completing another proper form of proxy.

To be used at the Meeting, proxies must be received by Odyssey Trust Company ("Odyssey"), United Kingdom Building 323-409 Granville Street Vancouver, BC V6C 1T2 by 10:30 a.m. (AEDST) on 25 November 2021 or, if the Meeting is adjourned, not later than 48 hours (2 business days) preceding the time on which the Meeting is reconvened or may be accepted by the chair of the Meeting prior to the commencement of the Meeting.

REVOCAION OF PROXIES

A shareholder giving a proxy has the power to revoke it at any time to the extent that it has not been exercised. In addition to revocation in any other manner permitted by law, a shareholder giving a proxy has the power to revoke it by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation and delivered either to the registered office of the Company (Level 14, 440 Collins Street Melbourne, Victoria 3000 Australia) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof, at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment(s) thereof at which the proxy is to be used.

VALIDITY OF INSTRUMENT OF PROXY

A proxy or an instrument appointing a duly authorized representative of a Company shall be in writing, under the hand of the appointor or his or her attorney duly authorized in writing, or, if such appointor is a Company, either under its seal or under the hand of an officer or attorney duly authorized for that purpose.

Voting by Proxyholder

At the time of printing this Information Circular, Management knows of no amendments, variations or other matters which may be presented for action at the Meeting other than the matters referred to in the accompanying Notice of Meeting.

The persons named in the Proxy will vote or withhold from voting the Ordinary Shares represented thereby in accordance with your instructions on any ballot that may be called for. The Ordinary Shares represented by the accompanying form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly on such ballot. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

The accompanying form of proxy when duly completed and delivered and not revoked confers discretionary authority upon the persons named therein with respect to matters where no choice is specified. In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on

the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

NON-REGISTERED HOLDERS

Only registered holders of Ordinary Shares of the Company or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Ordinary Shares beneficially owned by a holder (a **“Non-Registered Holder”**) are registered either:

- (a) in the name of an Intermediary (an **“Intermediary”**) that the Non-Registered Holder deals with in respect of the Ordinary Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRFs, RESPs and similar plans, or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as **“NOBOs”**. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as **“OBOs”**.

In accordance with the requirements of NI 54-101, the Company has elected to send the Notice and Access Notification in connection with the Meeting directly to the NOBOs, and indirectly through Intermediaries to the OBOs.

The Intermediaries (or their service companies) are responsible for forwarding the Notice and Access Notification to each OBO, unless the OBO has waived the right to receive proxy-related materials from the Company. Intermediaries will frequently use service companies to forward proxy-related materials to the OBOs. Generally, an OBO who has not waived the right to receive proxy-related materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Ordinary Shares beneficially owned by the OBO and must be completed, but not signed, by the OBO and deposited with Odyssey; or
- (b) more typically, be given a voting instruction form (**“VIF”**) which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of proxy-related materials and related documents (including the Notice and Access Notification). Accordingly, an OBO will not receive copies of proxy-related materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

Applicable proxy related materials are being sent to both registered shareholders of the Company and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent the applicable proxy-related materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Notice and Access Notification and any proxy-related materials sent to NOBOs who have not waived the right to receive proxy-related materials are accompanied by a VIF, instead of a proxy form. By returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the Ordinary Shares of the Company owned by the NOBO.

VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Ordinary Shares of the Company which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on the Non-Registered Holder's behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or the Non-Registered Holder's nominee, the right to attend and vote at the Meeting.

Non-Registered Holders should return their voting instructions as specified in the VIF sent to them. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Non-Registered Holders may not be recognized directly at the Meeting for the purpose of voting Ordinary Shares of the Company registered in the name of their broker, agent or nominee, a Non-Registered Holder may attend the Meeting as a proxyholder for a registered shareholder and vote Ordinary Shares in that capacity. Non-Registered Holders who wish to attend the Meeting and indirectly vote their Ordinary Shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Ordinary Shares as a proxyholder.

Registered Shareholders

Registered shareholders (a shareholder whose name appears on the records of the Company as the registered holder of Ordinary Shares) may wish to vote by proxy whether or not they are able to attend the virtual Meeting. Registered shareholders who choose to submit a proxy may do so by:

- (a) completing, dating and signing the Proxy and returning it to the Company's transfer agent, Odyssey Trust Company ("Odyssey"), United Kingdom Building 323-409 Granville Street Vancouver, BC V6C 1T2; or
- (b) submit the proxy using secure online voting via <http://odysseytrust.com/Transfer-Agent/Login>

in all cases ensuring that the Proxy is received at least 48 hours before the Meeting or any adjournment or postponement thereof at which the Proxy is to be used.

Notice to Shareholders in the United States

This solicitation of proxies involves securities of an issuer located in Australia and is being effected in accordance with the corporate laws of Australia and the securities laws of applicable provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of applicable provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of applicable provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the Australian Corporations Act 2001 (Cth) (the "Act") and its directors and executive officers are residents of countries that, and a substantial portion of its assets and the assets of such persons, are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the best of the Board's knowledge, except as otherwise disclosed herein, no person who has been

a director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

