FIRST GROWTH FUNDS LIMITED (CSE:FGFL)
Management Discussion and Analysis
For the twelve months ended June 30, 2023

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

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1.1 – Date and Basis of Discussion & Analysis

This management discussion and analysis ("MD&A") is dated as of 17 October 2023 and should be read in conjunction with the audited annual financial statements of First Growth Funds Limited for the year ended June 30, 2023 ("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 311 Hay Street Subiaco, Western Australia 6008, Australia.

Wholly owned Subsidiary companies:

1) 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 proceeding by the Company or any of its subsidiaries, within the two most recently completed financial years. Except for the deregistration of ICO-AN Pty Ltd, there has not been any material restructuring transactions.

Social, Environmental Polices, Seasonal Issues

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

Material Restructurings

Except for the deregistration of ICO-AN Pty Ltd, 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 "*1.3 Selected Annual Information*"

(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 2021, as at 30 June 2022 and 30 June 2023.

Asset type	Note	As at 30 Jun 2021		As at 30 June 2022		As at 30 June 2023	
		$	%	$	%	$	%
Cash		856,169	7.96%	528,782	11.02%	184,750	5.64%
Current financial assets (listed)		7,452,658	69.32%	3,280,171	68.37%	1,262,536	38.56%
Current financial assets (unlisted)	i	500,921	4.66%	-	0.0%	-	0.0%
Non-current financial assets (unlisted)		1,941,246	18.06%	886,021	18.47%	1,809,955	55.27%
Equity accounted investments		-	0.00%	102,827	2.14%	17,336	0.53%
Inventories	ii	-	0.00%	-	0.00%	-	0.00%
Total		10,750,994	100.00%	4,797,801	100%	3,274,577	100%

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Material Agreements

No new material agreements were entered into during the quarter ending 30 June 2023.

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

1.3– Selected Annual Information - NA

1.4 – Results of Operations

Quarters Ended	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21
Income (Loss) from continuing operations								
Revenue	-	-	-	-	-	-	-	-
Direct costs	-	-	-	-	-	-	-	-
Net income (loss) from continuing operations	-	-	-	-	-	-	-	-
Income (Loss) from investments								
Interest revenue	713	588	1,363	1,006	88	172	73,166	12,616
Dividend revenue			-	-	-	-	-	-
Financial assets at fair value through profit or loss	863,901	102,135	(1,552,700)	7,689	(1,769,624)	(712,068)	582,509	(3,221,410)
Asset impairments	(120,548)		(102,827)	-	-	-	-	-
Other gains and losses	(4,932)	(2,686)	(5,727)	4,926	(2,333)	16,061	(1,819)	1,180
Net income (loss) from investments	739,133	100,037	(1,659,891)	13,622	(1,771,869)	(695,835)	653,856	(3,207,614)
Net income (loss)	739,133	100,037	(1,659,891)	13,622	(1,771,869)	(695,835)	653,856	(3,207,614)
Operating expenses								
AFSL support fees	3,000	9,000	9,186	9,000	9,190	9,546	9,000	9,000
Director related costs	(15,000)	20,000	90,000	90,000	85,243	94,757	90,000	92,500
Director- share based payments	-	-	-	-	-	-	-	-
Insurance and professional fees	124,463	20,011	131,171	102,270	142,100	107,639	97,651	112,337
Listing and share registry fees	8,852	2,077	33,987	17,543	5,715	6,614	34,922	11,676
Travel expenses	-	-	-	-	-	-	-	-
Income tax expenses	-	-	-	-	13,910	-	-	-
Other expenses	(60,785)	70,298	9,010	4,370	3,821	(15,325)	11,931	13,747
Total operating expenses	60,530	121,386	273,354	223,184	259,978	203,231	243,504	239,260
Comprehensive Income (Loss)	678,604	(21,349)	(1,933,245)	(209,562)	(2,031,847)	(899,066)	410,352	(3,446,874)
Basic and diluted earnings cents per share (adjusted)**	0.872	(0.027)	(2.485)	(0.269)	(2.612)	(1.156)	0.527	(4.431)

Three months ended June 30, 2023

Net comprehensive profit after income tax was $678,604 (2021: Net comprehensive loss of $2,031,847).

During the three months ended 30 June 2023, the Group:

- recorded net income from continuing operations of $Nil (2022: $Nil) relating to advisory fees.
- recorded net investment profit of $739,133 (2022: Net investment loss of $1,771,869). The net profit for the current quarter includes:
  - material fair value gains:

  $1,230,296 attributable to the investment in GlobexUS Holdings Corp shares.
  - material fair value losses:

  $678,994 attributable to the investment in SQID Technologies Limited shares and warrants (CSE:SQID)

  $98,546 attributable to the investment in Haranga Resources Limited (ASX:HAR) shares.
- incurred operating expenses of $60,530 (2022: $259,978).

Twelve months ended June 30, 2023

Net comprehensive loss after income tax was $1,485,553 (30 June 2022: loss of $5,967,429).

During the twelve months ended 30 June 2023, the Group:

- recorded net investment losses of $807,099 (30 June 2022: loss of 5,021,462). The net loss includes:

Material fair value gains include:

- $1,230,296 attributable to the investment in GlobexUS Holdings Corp shares,

Material fair value losses include:

- $98,546 attributable to the investment in Haranga Resources Ltd (ASX:HAR),
- $678,994 attributable to the investment in SQID Technologies Limited shares and warrants (CSE:SQID),
- $141,321 attributable to the investment in Sportshero Ltd (ASX:SHO) shares and options,
- $293,750 attributable to the investment in Hire Pay Pty Ltd. shares.

Cash balances at the end of the reporting period were $184,750 (30 June 2022: $528,782).

- incurred operating expenses of $678,454 (2022: $932,057) The decrease over the prior corresponding period largely relates to lower overall professional fees and a reduction in director related costs.

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

1.5 – Summary of Quarterly Financial Position

As at	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21
Current Assets								
Cash and cash equivalents	184,750	220,898	297,554	447,262	528,782	514,701	1,093,153	810,548
Trade and other receivables	18,938	26,115	30,193	32,247	18,886	17,962	10,206	26,029
Inventory (cryptocurrencies)	-	-	-	-	-	-	-	-
Financial assets	1,262,536	1,815,371	1,740,260	3,097,971	3,280,171	5,383,193	5,676,408	5,609,673
Intangible assets		-	-	-	-	-	-	-
Other current assets	3,600	23,612	43,623	60,035	-	19,544	39,089	50,541
Total Current Assets	1,469,824	2,085,996	2,111,630	3,637,514	3,827,839	5,935,400	6,818,856	6,496,791
Non-Current Assets								
Financial assets	1,809,955	598,086	600,415	931,461	886,021	827,557	856,989	815,370
Equity accounted investments	17,336.37	-	-	102,827	102,827	54,637	55,724	-
Intangible assets	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Total Non-current Assets	1,827,291	598,086	600,415	1,034,287	988,848	882,194	912,713	815,370
Total Assets (Note 1)	3,297,115	2,684,082	2,712,045	4,671,801	4,816,687	6,817,594	7,731,569	7,312,161
Liabilities								
Current Liabilities								
Accounts payable	64,113	129,684	136,298	162,809	98,132	67,198	82,107	73,051
Total Current Liabilities	64,113	129,684	136,298	162,809	98,132	67,198	82,107	73,051
Total Liabilities	64,113	129,684	136,298	162,809	98,132	67,198	82,107	73,051
Net Assets	**3,233,002**	**2,554,398**	**2,575,747**	**4,508,992**	**4,718,555**	**6,750,396**	**7,649,462**	**7,239,110**
Equity								
Share Capital	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788
Reserves	-	-	-	-	-	-	-	-
Retained Earnings	(64,402,786)	(65,081,390)	(65,060,041)	(63,126,796)	(62,917,233)	(60,885,392)	(59,986,326)	(60,396,678)
Total Equity	**3,233,002**	**2,554,398**	**2,575,747**	**4,508,992**	**4,718,555**	**6,750,396**	**7,649,462**	**7,239,110**

Note 1 Total assets reconciled to portfolio investments

	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	31-Mar-22	30-Jun-21	31-Mar-21
Net assets	3,233,002	2,554,398	2,575,747	4,508,992	4,718,555	6,750,396	7,649,462	7,239,110
Other current assets	(3,600)	(23,612)	- 43,623.00	(60,035)	0	(19,544)	-	(15,160)
Receivables	(18,938)	(26,115)	(30,193)	(32,247)	(18,886)	(17,962)	(10,600)	(5,069)
Accounts payable	64,113	129,684	136,298	162,809	98,132	67,198	82,107	73,051
Portfolio investments	**3,274,577**	**2,634,355**	**2,638,229**	**4,579,520**	**4,797,801**	**6,780,088**	**7,720,969**	**7,291,932**

1.6 – Liquidity and Capital Resources

As at 30 June 2023:

- the Company had current assets totaling $2,085,996 (30 June 2022: $3,827,839) and
- shareholder's equity of $2,554,398 (30 June 2022: $4,718,555).

The decrease in capital resources is attributable to the net fair value losses described above.

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

1.7 – Off Balance Sheet Arrangements

As at 30 June 2023, there were no off-balance sheet arrangements to which the Group was committed.

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	
Transactions**	**Jun 30 2023 $**	**Jun 30 2022 $**
Director fees (Parent)***		
Anoosh Manzoori ****	120,000	240,000
Geoff Barnes	30,000	60,000
Michael Clarke	35,000	60,000
Athan Lekkas	105,000	210,000
Other director fees (wholly owned subsidiaries)	-	2,500
	290,000	572,500
Trade Brokerage – Peloton Capital Pty Ltd [(3)]	3,420	2,894

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

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

***** Mr. Manzoori resigned as a director on 1 May 2023.*

No post-employment benefits, other long-term benefits and termination benefits were paid.

Balances	**Jun 30 2023 $**	**Jun 30 2022 $**
Accounts Payable and accruals		
Polygon Fund Pty Ltd [(1)]	-	20,000
Dalext Pty Ltd [(2)]	-	17,500
Peloton Capital Pty Ltd [(3)]	-	20,000

(1) Polygon Funds Pty Ltd, a company controlled by Mr. Manzoori. He resigned as a director on 1 May 2023.

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

(3) Peloton Capital Pty Ltd is a company controlled by Geoff Barnes, a FGF director.

Ordinary shares held by directors

Name**	**Opening balance**	**Movements**	**Ceased to be a director**	**Balance as at June 30 2023**
Geoff Barnes	8,472,779	-	-	8,472,779
Michael Clarke	751,516	-	-	751,516
Athan Lekkas	2,037,274	-	-	2,037,274
Anoosh Manzoori	7,133,035	-	7,133,035	-
	18,394,604	**-**	**18,394,604**	**11,261,569**

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

*** Balances held by directors and/or director-controlled entities.*
The directors do not hold any options.

Other director positions held by directors

Director	Other directorships held	FGFL Relationship	Other transactions or balances
Michael Clarke	SQID Technologies Limited (CSE:SQID)	FGFL holds a 14.2% interest in SQID	Nil
Athan Lekkas	SQID Technologies Limited (CSE:SQID)		
Athan Lekkas	Magnum Mining and Resources Limited (ASX: MGU)	FGFL holds a less than 5% interest in MGU	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 2023 - 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 attached Audited Annual Financial Report for the period ended 30 June 2023 - Note 11. Fair value measurement.

Part B Fair Value Measurement
Refer to the attached Audited Annual Financial Report for the period ended 30 June 2023 - Note 12. Fair value measurement.

1.14 – Other MD&A Requirements

Share Capital

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

Share Options –NIL

1.15– Subsequent events

No matter or circumstance has arisen since 30 June 2023 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.

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.

Operational Risks: The Company will be affected by several operational risks against which it may not be adequately insured or for which insurance is not available including catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labour disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses,

RISK FACTORS AND UNCERTAINTIES (cont.)

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 that its competition. Any material deterioration in the Company's competitive position could materially adversely affect the Company's business, operating and financial performance.

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

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

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

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

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

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

List Not Exhaustive: The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders. The above factors and others not specifically referred to above may in the future materially affect the financial performance of the Company and the value of the shares.

DISCLAIMER FOR FORWARD-LOOKING INFORMATION

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

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

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

APPROVAL

The Board of Directors of the Company approved the disclosure contained in this MD&A on 19 October 2023.

Note 11. Financial risk management

Financial risk management objectives

The Group's activities expose it to several 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 using 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

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:

	Assets		Liabilities	
	30 June 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Consolidated	$	$	$	$
US dollars	1,809,955	616,190	-	-
Canadian dollars	68,885	850,133	-	-
	1,878,840	1,466,323	-	-

The Group had assets denominated in foreign currencies of $1,878,840 (2022: $1,466,323). The table below shows the Group loss 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.

	AUD weakened			AUD strengthened		
Consolidated - 30 Jun 2023	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
USD Assets	10%	180,996	180,996	10%	(180,996)	(180,996)
CAD Assets	10%	6,888	6,888	10%	(6,888)	(6,888)
		187,884	187,884		(187,884)	(187,884)

Note 11. Financial risk management (continued)

	AUD weakened			AUD strengthened		
Consolidated - 30 Jun 2022	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
USD Assets	10%	61,619	61,619	10%	(61,619)	(61,619)
CAD Assets	10%	85,013	85,013	10%	(85,013)	(85,013)
		146,632	146,632		(146,632)	(146,632)

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% (2022:10%) the impact on the Group's result before tax and net assets would have been:

	Average price increase			Average price decrease		
Consolidated - 30 Jun 2023	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Listed securities	10%	126,254	126,254	10%	(126,254)	(126,254)

	Average price increase			Average price decrease		
Consolidated - 30 Jun 2022	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Listed securities	10%	328,017	328,017	10%	(328,017)	(328,017)

For sensitivities in respect of unlisted securities and unlisted convertible notes, refer to Note 12

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 Australian Reserve Bank cash rate is 4.10% at 30 June 2023, accordingly the impact of a 100 basis point 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.

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.

Note 11. Financial risk management (continued)

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 2023	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						
Non-interest bearing						
Trade payables	-	64,113	-	-	-	64,113
Total non-derivatives		64,113	-	-	-	64,113

Consolidated - 30 Jun 2022	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						
Non-interest bearing						
Trade payables	-	98,132	-	-	-	98,132
Total non-derivatives		98,132	-	-	-	98,132

Note 12. 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 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit or loss				
Listed securities (i)	1,239,251	-	23,285	1,262,536
Unlisted securities (ii) & (iii)	-	-	1,809,955	1,809,955
Total assets	1,239,251	-	1,833,240	3,072,491

Consolidated - 30 Jun 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit or loss				
Listed securities (i)	2,590,505	-	689,664	3,280,169
Unlisted securities (ii) & (iii)	-	12,615	873,409	886,024
Total assets	2,590,505	12,615	1,563,073	4,166,193

(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, most recent capital raise price is applied.

(ii) The 30 June 2023 year 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

(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 $1,809,955 (30 June 2022: $873,409) 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.

Note 12. Fair value measurement (continued)

	Increase 20% Impact on profit before tax	Increase 20% Impact on equity	Decrease 20% Impact on profit before tax	Decrease 20% Impact on equity
Listed securities	4,657	4,657	(4,657)	(4,657)
Unlisted securities	361,991	361,991	(361,991)	(361,991)
Consolidated - 30 Jun 2023	366,648	366,648	(366,648)	(366,648)
Listed securities	137,932	137,932	(137,932)	(137,932)
Unlisted securities	174,682	174,682	(174,682)	(174,682)
Consolidated - 30 Jun 2022	312,614	312,614	(312,614)	(312,614)

Movements in level three hierarchy assets

During the reporting period, the carrying value of investments classified as level 3 under the fair value hierarchy increased by $270,167 to $1,833,240 (2022: decreased by $197,022 to $1,563,073). The net increase comprised a reduction in level 3 listed investments held $678,994 (2022: $634,825) and net fair value gains in unlisted investments of $936,546 (2022: $206,903).

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.

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.

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.