



First Growth Funds Limited
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1 March 2018

Lodgement of Prospectus and Appendix 3B

First Growth Funds Limited ("FGF" or "the Company") is pleased to advise that it has lodged the **attached** Prospectus with ASIC yesterday in satisfaction of the prospectus condition to the Placement announced on 2 January 2018.

Also **attached** is an Appendix 3B with respect to the 1 Offer Share the subject of the Prospectus as required pursuant to section 723(3) of the Corporations Act. A further Appendix 3B will be lodged on completion of the Placement (as announced on 2 January 2018) and the Additional Placement (as announced on 28 January 2018).

Geoff Barnes
Chairman

First Growth Funds Limited

ACN 006 648 835 (Company)

Prospectus

For the issue of 282,257,907 Options exercisable at \$0.03 each, expiring 2 years after issue (**Placement Options**) on the basis of one Placement Option issued for every one Share issued to Investors as part of the Placement (**Option Offer**).

AND

For the issue of 1 Share, at an issue price of \$0.012237 (**Offer Share**), to raise \$0.012237 (**Share Offer**).

The Share Offer together with the Option Offer (**Offers**) are conditional upon the Company obtaining Shareholder approval at a shareholder meeting scheduled for 28 February 2018 for which a notice of meeting was despatched to Shareholders on or about 29 January 2018. Refer to section 5.2 for further details.

This Prospectus has been prepared primarily for the purposes of:

- (a) to the extent it relates to the Option Offer, to enable the Placement Options to be issued to all Investors who participated in the Placement and to allow the Placement Options to be on-sold without disclosure and to ensure that the Shares that are issued on exercise of the Placement Options may be on-sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80);
- (b) to the extent it relates to the Share Offer, to facilitate the secondary trading of the Placement Shares and the Additional Shares so as to enable the Placement Shares and the Additional Shares to be on-sold in Australia without trading restrictions, pursuant to section 708A(11) of the Corporations Act.

Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Options and Share offered by this Prospectus should be considered as speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the United States of America or to U.S. persons.

Table of Contents

Chairman's letter	3
1. Offer Statistics	4
2. Key Dates	4
3. Important information	5
4. Company Information	11
5. Details of the Offers and the Prospectus	14
6. Purpose and effect of the Offers	18
7. Rights and liabilities attaching to securities	27
8. Risk factors	31
9. Additional information	47
10. Directors' Authorisation	59
11. Glossary	60
Corporate directory	62
Application Forms	63

Prospectus

Chairman's letter

Dear Shareholder

As announced on 2 January 2018, First Growth Funds Limited (**Company**) entered into conditional placement arrangements with Blockchain Global Limited (**BCG**) and other unrelated sophisticated investors to raise \$3,453,990 by way of a placement (**Placement**). The purpose of the Placement was to raise funds to provide the Company with working capital and for funding to facilitate acquisitions or investments in, blockchain technology, assets or businesses.

As part of the Placement, the Company has agreed to issue to BCG and other unrelated professional investors 282,257,907 shares at \$0.012237 each (**Placement Shares**). The Placement Shares will be ordinary shares and will rank pari passu with all existing ordinary shares on issue. In addition, the Company has agreed to offer to the recipients of the Placement Shares a 1:1 attaching option exercisable at \$0.03 within 2 years of issue (**Placement Options**). A total of 282,257,907 Placement Options are to be issued.

Further, the Company has agreed to issue to unrelated professional investors a further 50,000,000 shares at \$0.02 each (**Additional Placement Shares**). The Additional Placement Shares will be ordinary shares and will rank pari passu with all existing ordinary shares on issue.

This prospectus is issued for the purpose of allowing the Placement Shares, the Placement Options, the Additional Placement Shares and the Shares that will be issued on exercise of the Placement Options to be freely tradable. The Offers under this Prospectus will only be made to the Investors.

Shareholder approval for the issue of the Placement Shares and the Placement Options will be sought at an extraordinary general meeting of the Company, to be held on 28 February 2018.

Application will be made to ASX within 7 days of the date of this Prospectus to list the Offer Share on ASX.

Yours faithfully



Geoff Barnes
Non-Executive Chairman
First Growth Funds Limited

Prospectus

1. Offer Statistics

OPTION OFFER	
Issue Price	Nil
Exercise Price	\$0.03
Expiry Date of Placement Options ¹	6 March 2020
Expected number of Placement Options to be issued	282,257,907
Number of Options on issue prior to Offer	0
Expected total Options on issue following the Offer ²	282,257,907
SHARE OFFER	
Issue Price	\$0.012237
Number of Offer Shares to be issued	1
Number of Placement Shares ^{3, 4}	282,257,907
Underwriting Fee Shares ⁴	21,309,841
Additional Placement Shares ⁵	50,000,000
Number of Shares on issue prior to Offer ⁴	1,142,391,549
Expected number of Shares on issue following the Offer ^{4, 5}	1,495,959,298

1. Being the date that is 2 years after the issue to the Placement options.
2. This does not include 10,000,000 Manzoori Options which may be issued as the issue is subject to Shareholder approval being sought at the EGM.
3. The Placement Shares are not being offered pursuant to this Prospectus.
4. This assumes that all Placement Shares and Underwriting Fee Shares are issued, that none of the Manzoori Milestone Shares or BCG Milestone Shares are issued and that BCG subscribes for 0 Shares pursuant to its obligation to underwrite the exercise of the Underwritten Options.
5. As per the ASX announcement of 28 February 2018, the Company is undertaking the Additional Placement. The Additional Placement Shares will be issued on or before 6 March 2018.

2. Key Dates

Event	Date
Prospectus lodged with ASIC and ASX	28 February 2018
Offers open	28 February 2018
EGM	28 February 2018
Option Offer Closing Date	5 March 2018
Share Offer Closing Date	8 March 2018

Note: These dates are indicative only and may change without prior notice. The Directors may vary the period of the Offers (or any of them) at their discretion. Investors are encouraged to submit their Application Forms as soon as possible after the Offers open. The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to: (a) withdraw the Offers without prior notice; or (b) vary any of the important dates set out in this Prospectus, including extending the Offers.

Prospectus

3. Important information

3.1 General

This Prospectus is dated 28 February 2018 and was lodged with the ASIC on that date. Neither the ASIC nor the ASX (nor their officers) take any responsibility as to the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Placement Options or the Offer Share may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus contains offers of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

None of the Offers are available to the general public.

The Option Offer is only available to those persons who are issued Placement Shares being the Investors. Applications for Placement Options offered pursuant to this Prospectus can only be submitted on an original Application Form.

The Share Offer is only available to the person who is personally invited by the Company to accept the Share Offer. The Company will provide a Share Offer Application Form to that person only. An application for the Offer Share offered pursuant to this Prospectus can only be submitted on an original Application Form.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Placement Options and the Offer Share the subject of this Prospectus should be considered speculative.

3.2 Foreign Shareholders and Investors

This Prospectus does not constitute an offer of the Placement Options or the Offer Share in any place in which, or to any person to whom, it would not be lawful to make such an offer. The Company has not made any investigations as to the regulatory requirements that may prevail in countries, outside of Australia, in which Shareholders may reside. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Offers have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States, and the Placement Options or the Offer Share the subject of the Offers may not be offered or sold in the United States or to or for the account or benefit of any US Persons, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

3.3 Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an

Prospectus

initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.4 Risk factors

Shareholders should be aware that holding securities in the Company involves a number of risks. The key risk factors of which Shareholders should be aware are set out in section 8 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of Shares and the Placement Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers in relation to the issue of Placement Options and the Offer Share pursuant to this Prospectus.

As noted in section 4 of the Prospectus, the Company is intending to undertake investments and activities in the digital currency and blockchain industries. As the Company has not previously been involved in or invested in these industries, the Board believe that it is appropriate to provide an overview of the risks that relate to an involvement in these industries. Accordingly, section 8.2 outlines company specific risks arising from involvement in digital currency and blockchain industries and section 8.3 outlines specific digital currency industry risks. In addition, as the Company remains as an investment company listed on the ASX with a diverse class of assets and investments, it is also important to have regard to the risks which may impact the Company more generally. Section 8.4 outlines some of the key risks specific to an investment in the Company and section 8.5 outlines more general risks that may impact the Company.

The following is a summary some of the key risks as set out in section 8:

Risk	Summary	Further information
Development and commercialisation of blockchain and digital currency related products	Failing to successfully invest in or develop and commercialise offerings, products, solutions or services is likely to negatively impact the Company's performance, reduce its future opportunities, and weaken its financial position.	8.2(a)
Competition	There is a risk is that competitors' products, services or offerings may render the Company's investments in digital currency or blockchain products, services or offerings obsolete or uncompetitive.	8.2(b), 8.3(p) and 8.4(e)
Forecasts	Digital currency and blockchain industries are by their nature highly volatile, and consequently, the future revenues or profitability of the Company's investments in these industries cannot be predicted.	8.2(c)
Protection of technology rights and intellectual property	There is a risk that as yet unknown third parties may assert intellectual property claims in relation to digital currencies and blockchain, including any of the technologies or services associated with the Company's investment, which irrespective of the merit of any rights or claims asserted by third parties, may adversely affect the Company.	8.2(d)
Increased regulation	Any investment in or associated with digital currencies has a number of risk factors due to	8.3(a)

Prospectus

	<p>the emergent nature of digital currency exchanges, digital currency and blockchain, including the emerging regulatory risks involved with such an investment and the changing regulatory environment in which the proposed investment operates.</p> <p>Digital currency exchanges and the related topics of crypto-currencies and initial coin offerings (“ICOs”) raise legal, regulatory and public policy issues. A number of international regulators have issued guidance on the application of their securities and financial services laws on ICOs, and the regulatory status of ICOs in a number of overseas jurisdictions is subject to considerable uncertainty and rapid change.</p>	
Legal and regulatory risk	<p>The introduction of new legislation, amendment of existing legislation or the interpretation and application of existing legislation could adversely impact the digital currency market, and as a consequence, the Company’s investments in this industry and its overall financial position. No forecast can be made as to what approach financial and corporate regulators in Australia, the United States or elsewhere will take towards digital currency and blockchain technology in the future. The current uncertainty surrounding the ultimate application of securities, investment and corporate law to digital currencies around the world creates a level of risk for companies investing in or involved in the digital currency industry, including for the Company.</p>	8.3(b) and 8.5(c)
Digital currency theft and security	<p>It is possible for digital currencies to be stolen. The Company and its Directors take cyber-security very seriously, but can give no assurance that any steps they take will be sufficient to ensure the security of the Company’s investments or holdings in digital currency or any exchange its partners or investment entities operate.</p>	8.3(d)
Open source software risks	<p>The majority of other digital currencies are open source projects, meaning any individual can download the network software underpinning the digital currency and propose changes and modifications to users and miners through software download and upgrades.</p>	8.3(e)
Digital currency exchange risks	<p>Digital currency exchanges are at a permanent risk of experiencing technical difficulties, and being hacked or shut down. For users holding digital currencies through exchange accounts, this presents an ongoing risk of their currency holdings being lost. There have been numerous recent examples of large scale digital currency exchange hacks and security breaches.</p>	8.3(f)

Prospectus

Volatility and Liquidity	No assurance can be made that any interest the Company acquires in the digital currency and blockchain industries will maintain its long-term value. A sustained decline in the market capitalisation of digital currency or individual currencies will adversely impact the Company's investment in these industries. Likewise, there is no guarantee that any direct investment the Company makes in digital currencies will ultimately be able to be liquidated or traded in a liquid market.	8.3(i), 8.4(j), 8.4(l) and 8.5(e)
Uncertainty regarding the future of digital currencies	Digital currencies are a relatively new concept and their long-term outlook is likely to remain uncertain for the foreseeable future. The eventuation of any of the risks raised in this prospectus would be highly likely to adversely impact the digital currency industry in general as well as the Company's investments in this industry.	8.3(j)
Unverified public information	There is a large community of forums, blogs and new sites that publish information on Digital Currencies. Due to the speed of information flowing through these networks it is difficult to verify the information accuracy which may have an impact on Digital Currency prices in the short term.	8.3(u)
ICO & Pre-ICO Risk	Investing at Pre-ICO and ICO requires locking in a price for tokens. The Digital Currency price may open lower when the Digital Currency starts trading on the exchanges. This may adversely affect any investment FGF makes in ICOs or pre-ICOs.	8.3(v)
Investments by the Company	The Company's investments are not restricted by size or market capitalisation, whether the relevant entities are listed or unlisted, their industry or geographic location and the investments held by the Company at any time may vary widely. Given the Company's broad investment strategy, the Company's risk profile should be considered high risk compared to fixed interest or cash assets.	8.4(a)
Lack of Executive Management	The Company's management currently consists of three non-executive directors, one executive director (Mr Manzoori) and an additional proposed non-executive director (Mr Zhang). The Board is aware of the need to have sufficient management to properly supervise the Company's investments in which the Company has, or will in the future have.	8.4(c)
Dependence on Key Personnel	The success of the Company will to an extent depend on the Directors' and key consultants' ability to successfully manage the Company's	8.4(d)

Prospectus

	performance and exploit new opportunities. The loss of service of the Directors and key consultants could have an adverse effect on the proposed operations of the Company.	
Uncertainty and Future Profitability	<p>While the Directors have confidence in the future capital growth potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash-flow from its operating activities.</p> <p>The information in this Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's investment objectives will not be achieved.</p>	8.4(f)
Financial Market Volatility	A fall in global or Australian equity markets, global or Australian bond markets or a rapid change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on the share prices of the Company's investments and the ability of the Company's investments to list on the ASX or raise funds.	8.4(j) and 8.5(a)
Additional requirements for capital	<p>Depending on the ability of the Company to generate income from its operations, the Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and investments.</p> <p>The budget for the commercialisation of matters the subject of the Heuresy Term Sheet may reach US\$2 million. The Company is presently considering the funding requirements in this regard and it is noted that funding is yet to be committed to by the Company, or any other party.</p>	8.4(t)

3.5 Terms of Securities

A summary of the rights attaching to the Placement Options and the Offer Share offered by this Prospectus as well as the Shares that will be issued on exercise of the Placement Options are set out in section 7.1 and 7.2 respectively. Details of the Placement Option Offer and the Share Offer are set out in section 5 below.

3.6 Deciding to accept the Offer

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Placement Options or the

Prospectus

Offer Share. The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person.

This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.firstgrowthfunds.com.

3.7 Glossary

Certain terms used in this Prospectus are defined in the Glossary in Section 11 of this Prospectus. Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

3.8 Forward Looking Statements

The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward looking statements. The forward looking statements in this Prospectus are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus. Investors should specifically refer to the "Risks Section" in Section 8 of this Prospectus. That section refers to some, but not all, of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Investors should be aware that past Share or Option price performance of the Company provides no guidance to its future Share or Option price performance. Neither the Company nor any other person warrants or guarantee the future performance of the Placement Options or the Offer Share offered under this Prospectus or the Shares or any return on any investment made pursuant to this Prospectus.

Prospectus

4. Company Information

4.1 Company Overview

First Growth Funds Limited is listed on the ASX and operates as an investment company. The nature of an investment company means the Company is constantly assessing investment opportunities both in terms of the acquisition of assets or interests as well as the disposal of assets or interests. As an investment company it is within the usual course of the Company's business to both dispose of and acquire assets and interests from time to time with the intent being to maximise value and return for shareholders. The aim with investments in unlisted entities is that the equity interests held will be able to be realised on completion of a liquidity event (such as a trade sale or IPO) and that the funds raised from the realisation will be invested into further assets and interests for the benefit of shareholders.

FGF as an investment company has seen it investing predominantly in unlisted technology based startup companies, though with a wide array of operational interests, such as e commerce, telephony, IoT and digital video. The Company has continued to invest in listed equities on the Australian Securities Exchange in a variety of industries including resources, technology and health.

The Company's largest private investment is Cloud Lumen (a next generation lighting and sensor network company focussing on IoT connected commercial LED lighting). The Company also invested in Pearl Global (an entity approved by the EPA to commercially process end of life tyres into fuel, char and steel) which completed its listing on the ASX on 16 February 2018.

As an investment company, FGF seeks to have a variety of different investments across a diverse portfolio of assets and the investments held by the Company at any time may vary widely. The Company is not limited by an investment mandate or restrictions on investment management and it may ultimately invest in any investment approved by the Board. As previously disclosed, the types of investments that the Company may make include (but are not limited to) unlisted and listed securities, derivatives, alternative investments, rights convertible into securities or derivatives or foreign exchange, debt instruments and interests in trusts. FGF does not intend to limit its investments to any one sector, with the key investment criteria being whether or not the investment presented is of a suitable scale, and quality that it is likely to achieve a significant increase in value for the shareholders of FGF.

As part of the overall investment strategy, the Company proposes to make equity investments in blockchain companies and it may also separately invest in digital currencies via an ICO or Pre-ICO. The Company also intends to establish an Advisory Business Unit (ABU) for the purpose of generating revenue and income from blockchain related activities and investments.

4.2 Directors and Proposed Director

The Directors bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director (and the Proposed Director) has confirmed that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as the case may be, without undue constraints from other commitments.

Of the Directors, Athan Lekkas and Michael Clarke are considered by the Board to be able to fulfil the role of Independent Directors for the purposes of the ASX Corporate Governance Principles and Recommendations (Third Edition). Geoff Barnes, and Anoosh Manzoori are not considered independent, as:

- Mr Barnes is a major shareholder of the Company; and
- Mr Manzoori is an executive Director.

Daniel Zhang will not be considered independent as he is a nominee of BCG.

Prospectus

The following persons are directors of the Company (or in the case of Daniel Zhang, a proposed director of the Company) as at the date of this Prospectus:

<p>Geoff Barnes, Non-Executive Chairman</p>	<p>Mr Barnes joined the Investment Industry in 1999 as an Investment Adviser at Hartley Poynton.</p> <p>He is a Founder and Director of Peloton Capital (Peloton). At Peloton, Mr Barnes is responsible for Equity Markets and Private Client Operations, introduction of corporate transactions, and personally manages a select group of Sophisticated Investor Clients.</p> <p>Before Founding Peloton Capital with his fellow directors in June 2011, Mr Barnes was employed for 9 years at Macquarie Private Wealth (Sydney) and resigned as a Division Director.</p>
<p>Athanasios (Athan) Lekkas, Non-Executive Director Dip Business and Management</p>	<p>Mr Lekkas has participated in a broad range of business and corporate advisory transactions, and 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 sector.</p> <p>He was former Chairman of Xped Limited (ASX:XPE) an Internet of Things (IoT) technology company. Mr Lekkas was previously a Director of Energio Limited, and was instrumental and successful with identifying and ensuring the acquisition of a major West African Iron Ore project.</p>
<p>Anooshirvan (Anoosh) Manzoori, Executive Director Bachelor of Science, Graduate Diploma Business Enterprise</p>	<p>Anoosh brings to the Board and FGF a wealth of experience in technology and investment advisory. He is the CEO of Shape Capital Pty Ltd, an advisory and venture investment firm, and an Expert Network Member of the Department of Industry, Innovation and Science, supporting local innovative companies. His experience includes capital raising and M&A across a number of industries with a particular focus on the technology sector. Anoosh is also a Non-Executive Director of CCP Technologies Limited (ASX: CT1). He is also member of the Institute of Company Directors.</p> <p>Anoosh was previously the founder and CEO of one of Australia's largest cloud hosting companies reaching over 75,000 customers before selling the company to MYOB Limited in 2008.</p>
<p>Michael Clarke, Non-Executive Director Dip Business and Management</p>	<p>Mr Clarke has over 18 years' experience in the IT industry and has worked across both public and private enterprise during his career. He has broad experience in the development and management of enterprise and complex systems and worked at many senior levels during this time.</p> <p>Mr Clarke has consulted and provided services to a variety of industries including manufacturing, mining and resources, government and education and previously a Director of Xped Limited (ASX:XPE) until 2016.</p>

Prospectus

Tianbo (Daniel) Zhang, Proposed non-executive Director Bachelor Engineering, Masters Info Sys & Mgmt	<p>Mr Zhang is currently the Chief Operations Officer (COO) of Blockshine, a leading China based communications company specialising in Blockchain Technology. The company has extensive reach in Chinese media along with international assets such as coinmerit.com, blockchaincan.com and thisisdistributed.com.</p> <p>Mr Zhang's experience includes founder and CEO of Tagu Social Network a media platform for sharing of photos, Project Manager of Big Data program at Tesco China, and Product Director of Penguin Guide, a successful Chinese food, wine & lifestyle social media platform.</p> <p>Mr Zhang is proposed to be the nominee director of BCG.</p>
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Prospectus

5. Details of the Offers and the Prospectus

5.1 Background

As announced on 2 January 2018, the Company entered into conditional placement arrangements with BCG and other unrelated sophisticated and professional investors to raise \$3,453,990.

The Placement involves the issue of new Shares at \$0.012237 each and participants in the Placement will be offered an attaching Placement Option for each Share subscribed for and issued under the Placement. The Placement Options will be a new class of option, exercisable at \$0.03 each within 2 years of issue and otherwise on the terms set out in section 7. It is intended that the Placement Shares will be listed, however the Placement Options will not be listed.

As announced on 28 February 2018, the Company has agreed to issue to unrelated professional investors 50,000,000 Additional Placement Shares at \$0.02 each to raise a further \$1,000,000.

5.2 Conditional Offers

The Offers to each Investor are each conditional on the Company obtaining Shareholder approval for the issue of the Placement Shares, Placement Options and all other required regulatory or ASX approvals being obtained on or before 20 February 2018. In addition, the Option Offer to BCG is conditional on Shareholders approving the issue of the BCG Milestone Shares. The Company has scheduled the Meeting for 28 February 2018 to obtain these approvals.

The Placement Options will not be issued to an Investor until the Placement Shares have been issued to that Investor.

The Share Offer is not conditional.

5.3 Purpose of the Prospectus

This Prospectus has been prepared primarily for the purposes of:

- (a) to the extent it relates to the Option Offer, to enable the Placement Options to be issued to all Investors who receive Shares under the Placement and to allow the Placement Options to be on-sold without disclosure and to ensure that the Shares that are issued on exercise of the Placement Options may be on-sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80; and
- (b) to the extent it relates to the Share Offer, to facilitate the secondary trading of the Placement Shares and the Additional Placement Shares so as to enable the Placement Shares and the Additional Placement Shares to be on-sold in Australia without trading restrictions, pursuant to section 708A(11) of the Corporations Act.

The Offer of the Placement Shares and the Additional Placement Shares were undertaken without disclosure to investors under Part 6D of the Corporations Act, to investors who were considered sophisticated investors, professional investors or other investors who were exempt from disclosure pursuant to section 708 of the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Prospectus

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (1) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (2) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

Accordingly, an additional purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act so that the recipients of the Placement Shares and the Additional Placement Shares, if they choose to, can sell the Placement Shares and the Additional Placement Shares within the next twelve months without the issue of a prospectus. The issue of the Placement Shares and the Additional Placement Shares have not been undertaken by the Company with the purpose of the recipients selling or transferring the Placement Shares and the Additional Placement Shares. However, the Directors consider that the recipients of the Placement Shares and the Additional Placement Shares should be able to sell the Placement Shares and the Additional Placement Shares should they wish to do so, without being required to issue a prospectus. The Placement Shares and the Additional Placement Shares are intended to be issued on 6 March 2018, prior to the close of the Share Offer.

No funds will be raised through the issue of the Placement Options pursuant to this Prospectus, however if all the Placement Options are exercised, the Company will receive \$8,467,737.21. Any funds raised upon the exercise of any of the Placement Options will be allocated to the Company's working and investment capital.

5.4 The Offers

The following Offers are being made pursuant to this Prospectus:

Option Offer

An offer of 282,257,907 Placement Options to Investors, on the basis of one (1) Placement Option for every Share issued pursuant to the Placement, to be issued for nil consideration.

Share Offer

An offer of one (1) Offer Share to the person who is personally invited by the Company to accept the Share Offer. The issue of the Offer Share will raise \$0.012237.

The Offer Share will be issued on the terms and conditions set out in section 7.2 of this Prospectus. The Offer Share will rank equally with the Shares on issue at the date of this Prospectus.

The Offers are non-renounceable.

Prospectus

5.5 How to Apply

Investors who applied for Placement Shares should ensure that they also apply for Placement Options, and lodge their Application Form by the Closing Date for the Option Offer, **5.00pm (EST) on 5 March 2018**.

Completed Application Forms for Placement Options and the Offer Share must be mailed or delivered to the Company at the below address:

**First Growth Funds
c/- Peloton Capital
Level 5
56 Pitt Street
Sydney NSW 2000**

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close any Offers early, extend the Closing Date or to withdraw the Offers at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

5.6 Issue

Placement Options and the Offer Share issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for Placement Options and the Offer Share issued under the Offers will be mailed in accordance with the ASX Listing Rules and the timetable set out in Section 2 of this Prospectus and in any event, as soon as practicable after their issue.

5.7 No exposure period

No exposure period applies to the Options or the Share offered under this Prospectus due to the relief granted by ASIC Corporations (Exposure Period) Instrument 2016/74.

5.8 Minimum subscription

There is no minimum subscription under the Offers.

5.9 ASX listing

Application for Official Quotation of the Offer Share offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Offer Share offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue the Offer Share.

The fact that ASX may grant Official Quotation of the Offer Share is not to be taken in any way as an indication of the merits of the Company or the Placement Options or Offer Share now offered.

5.10 No underwriting

The Offers are not underwritten.

Prospectus

5.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing share or option certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Placement Options (or Offer Share) allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

5.12 Enquiries

If you are an Investor or recipient of the Share Offer and have any questions in relation to the Offers, please contact your stockbroker or professional adviser. If you have questions in relation to how to complete the Application Form, please contact the Company Secretary on +61 3 9642 0655

Prospectus

6. Purpose and effect of the Offers

6.1 Purpose of the Offers

The purpose of the Option Offer is to reward the participants in the Placement for their investment in and support of the Company.

The issue of the Placement Options will also provide the Company with a potential source of additional capital if the Placement Options are exercised. No funds will be raised through the issue of the Placement Options pursuant to this Prospectus, however if all the Placement Options are exercised, the Company will receive \$8,467,737.21. Any funds raised upon the exercise of any of the Placement Options will be allocated to the Company's working and investment capital.

The Share Offer is being made in order to facilitate the secondary trading of the Placement Shares and the Additional Placement Shares as set out in section 5.3 above.

While the Placement Shares are not being offered pursuant to this Prospectus, for completeness it is noted that the issue of the Placement Shares will raise \$3,453,990 and that the Company intends to use these funds to pay the expenses associated with the Placement and this Prospectus (see section 9.14 for further information) and to provide the Company with working capital and for funding to facilitate acquisitions or investments in, blockchain technology, assets or businesses.

While the Additional Placement Shares are not being offered pursuant to this Prospectus, for completeness it is noted that the issue of the Additional Placement Shares will raise \$1,000,000 and that the Company intends to use these funds to pay the expenses associated with the Additional Placement and this Prospectus (see section 9.14 for further information) and to provide the Company with working and investment capital.

6.2 Effect of the Offers

The principal effect of the Offers, assuming all Placement Options offered under the Prospectus are issued, will be to introduce a new class of unlisted securities, being up to 282,257,907 new Placement Options and to issue one new Share.

6.3 Effect on Balance Sheet

The Placement Options to be issued pursuant to this Prospectus will be issued for nil consideration and the Offer Share will be issued for \$0.012237. Accordingly, there will be no immediate effect on the Company's balance sheet from the Offers, other than a decrease in cash reserves of approximately \$162,690 (excl. GST) being the estimated costs of the Offers as set out in section 9.14. However, the Placement will, if completed, will raise \$3,453,990 and the Additional Placement will raise \$1,000,000.

Capital will be raised if the Placement Options are exercised, being an amount of \$0.03 per Placement Option exercised. This will affect the Company's balance sheet, however the Company is not able to specify with any certainty the extent of that change given the uncertainty around whether the Placement Options will be exercised (which is dependent on the market price of Shares from time to time until the Placement Options expire).

The Company's Annual Report for the financial year ended 30 June 2017, was released to ASX on 31 August 2017. The Company's financial report for the half year ended 31 December 2017 was released to the ASX on 28 February 2018. The Annual Report and Half Year Report can be viewed at www.firstgrowthfunds.com and at www.asx.com.au.

The Company's latest Quarterly Cash Flow Report and Quarterly Activities Report were released to ASX on 31 January 2018. This report can be reviewed at www.firstgrowthfunds.com and at www.asx.com.au.

Prospectus

Additional information, including copies of ASX releases and investor presentations, is also available on the Company's website.

This section sets out the historical and pro-forma financial information of the Company. The basis for the preparation and presentation of this information is also set out below.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Prospectus.

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards. The historical and pro-forma financial information comprises financial information of the Company. The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosure and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

The information in sections 6.3 to 6.6 has been provided for investors to gain an indication of the effect of the Offers (and associated Placement) on the Company. It does not necessarily illustrate the future financial performance of the Company because past performance is not a guide to future performance.

6.4 Historical Financial Information

The historical financial information for the Company set out below comprises:

- (a) the reviewed Statement of Financial Position as at 31 December 2017; and
- (b) selected notes to the reviewed Statement of Financial Position.

The historical financial information has been extracted from the Reviewed Company's Financial Statements for the period ended 31 December 2017.

6.5 Pro-forma Financial Information

The pro-forma financial information for the Company set out below under Pro-forma A comprises:

- (a) the unaudited Pro-Forma Statement of Financial Position as at 31 December 2017 based on completion of the Offers (and the Placement); and
- (b) selected notes to the unaudited Pro-Forma Statement of Financial Position.

The unaudited Pro-Forma Statement of Financial Position has been derived from the Statement of Financial Position as at 31 December 2017 adjusted for the following transactions as if they had occurred at 31 December 2017 (pro-forma transactions):

- the issue of 1 offer share raising a total of \$0.012237;
- the issue of 282,257,907 Placement Shares issued at \$0.012237 raising a total \$3,453,990;
- the issue of 21,309,841 shares in lieu of payment of the Underwriting Fee at a deemed issue price of \$0.012237 (being the Underwriting Fee Shares);
- the issue of 277,612,938 shares resulting from the exercise of options with an exercise price of \$0.02 raising \$5,552,258.76 during January 2018 and February 2018;

Prospectus

- the issue of 50,000,000 Additional Placement Shares issued at \$0.02 raising a total \$1,000,000; and
- issue costs in respect of the placement.

The pro-forma financial information for the Company set out below under Pro-forma B comprises:

- (a) the unaudited Pro-Forma Statement of Financial Position as at 31 December 2017 based on completion of the Offers (and the Placement) and assuming exercise of all Options offered under the Prospectus; and
- (b) selected notes to the unaudited Pro-Forma Statement of Financial Position.

The unaudited Pro-Forma Statement of Financial Position has been derived from the Statement of Financial Position as at 31 December 2017 adjusted for the following transactions as if they had occurred at 31 December 2017 (pro-forma transactions):

- the issue of 1 offer share raising a total \$0.012237;
- the issue of 282,257,907 Placement Shares issued at \$0.012237 raising a total \$3,453,990;
- the issue of 282,257,907 shares on exercise of the Placement Options exercised at \$0.03 raising a total \$8,467,737;
- the issue of 21,309,841 shares in lieu of payment of the Underwriting Fee at a deemed issue price of \$0.012237 (being the Underwriting Fee Shares);
- the issue of 277,612,938 shares resulting from the exercise of options with an exercise price of \$0.02 raising \$5,552,258.76 during January 2018 and February 2018;
- the issue of 50,000,000 Additional Placement Shares issued at \$0.02 raising a total \$1,000,000; and
- issue costs in respect of the placement.

Prospectus

6.6 Historical and Pro-forma A Consolidated Statements of Financial Position

	Audited 30 Jun 2017 \$	Reviewed 31 Dec 2017 \$	Pro-forma Adjustments \$	Pro-forma 31 Dec 2017 \$
Assets				
Current assets				
Cash and cash equivalents	840,325	994,241	9,863,849	10,858,090
Trade and other receivables	49,944	80,266	-	80,266
Trading investments @ FVTPL	530,000	242,818	-	242,818
Available for sale financial assets	700,000	700,000	-	700,000
Total current assets	2,120,269	2,017,325	9,863,849	11,881,174
Total assets	2,120,269	2,017,325	9,863,849	11,881,174
Liabilities				
Current liabilities				
Trade and other payables	78,576	142,902	-	142,902
Total current liabilities	78,576	142,902	-	142,902
Total liabilities	78,576	142,902	-	142,902
Net assets	2,041,693	1,874,423	9,863,849	11,738,272
Equity				
Issued capital	56,863,383	56,863,585	9,863,849	66,727,434
Reserves	296,347	296,347	-	296,347
Accumulated losses	(55,118,037)	(55,285,509)	-	(55,285,509)
	2,041,693	1,874,423	9,863,849	11,738,272

Note 1 - Available for sale financial assets

	Audited 30 Jun 2017 \$	Reviewed 31 Dec 2017 \$	Pro-forma Adjustments \$	Pro-forma 31 Dec 2017 \$
Pearl Global Limited	350,000	350,000	-	350,000
Cloud Lumen Pty Ltd	350,000	350,000	-	350,000
	700,000	700,000	-	700,000

Note 2 - Contributed equity

	Reviewed 31 Dec 2017 #	Reviewed 31 Dec 2017 \$
Issues shares as at 30 June 2017	864,768,511	56,863,383
Share issued at 6 December 2017	10,101	202
	864,778,612	56,863,585
Pro-Forma Adjustments		
Exercise of listed options	277,612,937	5,552,259
Issue of placement shares	282,257,907	3,453,990
Issue of placement share	1	-
Issue of underwriting shares	21,309,841	-
Issue of private placement shares	50,000,000	1,000,000
	631,180,686	10,006,249

Prospectus

6.7 Historical and Pro-forma B Consolidated Statements of Financial Position

	Audited 30 Jun 2017 \$	Reviewed 31 Dec 2017 \$	Pro-forma Adjustments \$	Pro-forma 31 Dec 2017 \$
Assets				
Current assets				
Cash and cash equivalents	840,325	994,241	18,331,586	19,325,827
Trade and other receivables	49,944	80,266	-	80,266
Trading investments @ FVTPL	530,000	242,818	-	242,818
Available for sale financial assets	700,000	700,000	-	700,000
Total current assets	2,120,269	2,017,325	18,331,586	20,348,911
Total assets	2,120,269	2,017,325	18,331,586	20,348,911
Liabilities				
Current liabilities				
Trade and other payables	78,576	142,902	-	142,902
Total current liabilities	78,576	142,902	-	142,902
Total liabilities	78,576	142,902	-	142,902
Net assets	2,041,693	1,874,423	18,331,586	20,206,009
Equity				
Issued capital	56,863,383	56,863,585	18,331,586	75,195,171
Reserves	296,347	296,347	-	296,347
Accumulated losses	(55,118,037)	(55,285,509)	-	(55,285,509)
	2,041,693	1,874,423	18,331,586	20,206,009

Note 1 - Available for sale financial assets	Audited 30 Jun 2017 \$	Reviewed 31 Dec 2017 \$	Pro-forma Adjustments \$	Pro-forma 31 Dec 2017 \$
Pearl Global Limited	350,000	350,000	-	350,000
Cloud Lumen Pty Ltd	350,000	350,000	-	350,000
	700,000	700,000	-	700,000

Note 2 - Contributed equity	Reviewed 31 Dec 2017 #	Reviewed 31 Dec 2017 \$
Issues shares as at 30 June 2017	864,768,511	56,863,383
Share issued at 6 December 2017	10,101	202
	864,778,612	56,863,585
Pro-Forma Adjustments		
Exercise of listed options	277,612,937	5,552,259
Issue of placement shares	282,257,907	3,453,990
Issue of placement share	1	-
Issue of underwriting shares	21,309,841	-
Exercise of placement options	282,257,907	8,467,737
Issue of private placement shares	50,000,000	1,000,000
	913,438,593	18,473,986

Prospectus

6.8 Effect on capital structure post Offers assuming no Placement Options are exercised

The effect of the Offers on the capital structure of the Company, assuming all Placement Options offered under the Prospectus are issued, is set out below:

Shares

	Number	% interest in share capital
Shares currently on issue (not including Placement Shares)	1,142,391,549	76%
Shares offered pursuant to the Share Offer	1	0%
Placement Shares ¹	282,257,907	19%
Underwriting Fee Shares ¹	21,309,841	1%
Additional Placement Shares ²	50,000,000	3%
Total Shares on issue after completion of the above³	1,495,959,298	100%

1 This assumes that the maximum number of Placement Shares and Underwriting Fee Shares are issued.

2 As per the ASX announcement of 28 February 2018, the Company is undertaking the Additional Placement. The Additional Placement Shares will be issued on or before 6 March 2018.

3 This assumes that none of the Placement Options or Manzoori Options are exercised and that none of the Manzoori Milestone Shares or the BCG Milestone Shares are issued.

Options

	Number	% interest in Options
Options currently on issue	Nil	0%
Expected number of Placement Options	282,257,907	100%
Total Options on issue after completion of the above¹	292,257,907	100%

1 This assumes that none of the Placement Options or Manzoori Options are exercised. It also excludes any of the 10,000,000 Manzoori Options to be issued subject to Shareholder approval to be sought at the EGM.

6.9 Effect on capital structure post Offers assuming all Placement Options are exercised

The effect of the Offers on the capital structure of the Company, assuming all Placement Options offered under the Prospectus are issued, is set out below:

Prospectus

	Number	% interest in share capital
Shares currently on issue (not including Placement Shares)	1,142,391,549	64%
Shares offered pursuant to the Share Offer	1	0%
Placement Shares ¹	282,257,907	16%
Underwriting Fee Shares ¹	21,309,841	1%
Additional Placement Shares ²	50,000,000	3%
Shares issued on exercise of the Placement Options	282,257,907	16%
Total Shares on issue after completion of the above³	1,778,217,205	100%

1 This assumes that the maximum number of Placement Shares and Underwriting Fee Shares are issued.

2 As per the ASX announcement of 28 February 2018, the Company is undertaking the Additional Placement. The Additional Placement Shares will be issued on or before 6 March 2018.

3 This assumes that none of the Manzoori Options are exercised, that none of the Manzoori Milestone Shares or the BCG Milestone Shares are issued and that no other Shares are issued.

6.10 Effect on control

The issue of the Placement Options themselves will have no effect on the control of the Company. The issue of the Offer Share will have no effect on the control of the Company. The substantial Shareholders are listed below in Section 6.11. None of these Shareholders are eligible to receive Placement Options.

The issue of the Placement Shares, the Underwriting Fee Shares, Additional Placement Shares and Shares on exercise of the Placement Options will have an effect on the control of the Company. Details regarding this effect and the change to the substantial holders of the Company are set out below in Section 6.11.

6.11 Details of substantial holders

At the date of this Prospectus, the Company is of the view that there is no single entity that controls the Company.

Details of persons holding a relevant interest in more than 5% of the Company's Shares as at 27 February 2018 are as follows:

Shareholder	Relevant Interest in Shares	% issued capital
GEBA PTY LTD <GEBA FAMILY A/C>	100,000,000	8.75%

None of the above substantial shareholders are participating in the Placement and as such they will not receive any Placement Options. The Offers will have no effect on the quantity of Shares held by these substantial shareholders as only Placement Options and the Offer Share are being issued. However, the issue of the Placement Shares will cause an adjustment of the substantial shareholders holders, in the following manner.

Details of persons holding a relevant interest in more than 5% of the Company's Shares assuming completion of the Placement, issue of the Underwriting Fee Shares and the Additional Placement Shares:

Prospectus

Shareholder	Relevant Interest in Shares ¹	% issued capital	Number of Placement Options Held	Relevant Interest in Shares if all Placement Options exercised	% issued capital on exercise of all Placement Options
BCG ^{2, 3}	136,021,654	8.80%	114,711,813	250,733,467	9.09%
Dong Bo	127,391,313	8.24%	89,891,313	217,282,626	7.12%
GEBA PTY LTD <GEBA FAMILY A/C>	100,000,000	6.47%	0	100,000,000	6.68%

1. This assumes that the maximum number of Placement Shares, Underwriting Fee Shares and Additional Placement Shares are issued, that no Placement Options or Manzoori Options are exercised and that no BCG Milestone Shares or Manzoori Milestone Shares are issued.

2. If all BCG Milestone Shares are issued, BCG will hold a relevant interest in 310,733,467 Shares, representing 16.90% of the issued capital of the Company assuming the Placement Options are also fully exercised.

3. Note that the Company will hold a relevant interest in the Placement Shares issued to BCG due to the voluntary escrow arrangements put in place pursuant to the terms of the Placement as set out in section 9.4.

The top 20 Shareholders of the Company as at 26 February 2018 are as follows:

Shareholder	Shares	% issued capital
GEBA PTY LTD <GEBA FAMILY A/C>	100,000,000	8.75
AEGIAN PAL PTY LTD <ELPIDA SUPER FUND A/C>	45,796,727	4.01
RED AND WHITE HOLDINGS PTY LTD <BLOOD SUPER FUND A/C>	45,143,656	3.95
SAYERS INVESTMENTS (ACT) PTY LIMITED <THE SAYERS INVEST NO 2 A/C>	42,500,000	3.72
DALEXT PTY LTD <DALEXT UNIT A/C>	34,472,727	3.02
GXB PTY LTD	28,000,000	2.45
MR PETER ANDREW PROKSA	28,000,000	2.45
CALABRIA ENTERPRISES PTY LTD	25,600,028	2.24
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	23,030,322	2.02
MR THEO CHRISTAKOS + MR ARGYRIOS CHRISTAKOS	16,333,333	1.43
1215 CAPITAL PTY LTD	13,687,797	1.20
SPARKE ENTERPRISES PTY LTD <SPARKE ENTERPRISES FAM A/C>	13,030,302	1.14
BENEFICO PTY LTD	11,600,000	1.02
AS & JR LIBBIS PTY LIMITED <LIBBIS FAMILY A/C>	11,500,000	1.01
MUNGALA INVESTMENTS PTY LTD	10,333,333	0.90

Prospectus

Shareholder	Shares	% issued capital
MR DANIEL ROBERT BLAKISTON + MRS JENNIFER MARY BLAKISTON <D&A BLAKISTON SUPERFUND A/C>	9,940,555	0.87
GEOFFREY CHEN	9,825,757	0.86
MR DAVID FAGAN	7,828,666	0.69
ETHAN ALLEN INVESTMENTS PTY LTD <ETHAN ALLEN INVEST UNIT A/C>	7,676,262	0.67
MR FELICE FERRARO + MRS DIANE CARMELA FERRARO <D & F FERRARO FAMILY ACCOUNT>	7,666,666	0.67
TOTAL	491,966,131	43.06

The Offers will have no effect on the quantity of Shares held by the above shareholders as only Placement Options and the Offer Share are being issued.

Prospectus

7. Rights and liabilities attaching to securities

7.1 Placement Option terms and conditions

- (a) The Options shall be issued for no cash consideration;
- (b) The exercise price of each Option is \$0.03 (**Exercise Price**);
- (c) The Options will expire on the day that is two years after their issue (**Expiry Date**), currently anticipated to be 6 March 2020 unless earlier exercised;
- (d) The Options are transferrable;
- (e) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
- (f) The number of Options that may be exercised at one time must be not less than 1000, unless the Option holder holds less than 1000 options in which case all options must be exercised at one time;
- (g) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares within 10 business days of valid exercise and payment;
- (h) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (i) Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (1) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged;
- (k) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Prospectus

Where:

- O^n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (m) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue;
- (n) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options;
- (o) The Company shall not apply for listing of the Options on the ASX; and
- (p) The Company shall apply for listing on the ASX of the resultant shares of the Company issued upon exercise of any Option.

7.2 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares (including the Offer Share) being the underlying securities of the Placement Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and any other laws.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

Prospectus

(b) Voting rights

Subject to any special rights or restrictions (at present there are none), at any Shareholder meeting, each Shareholder present in person or by proxy has one vote on a show of hands. On a poll, a holder of fully paid Shares has one vote for each share held and the holder of a partly paid share has a voting entitlement to the proportion which the amount paid is of the total amounts paid and payable.

(c) Dividend rights

Subject to any special rights (at present there are none), all dividends that may be declared by the Company are payable on all fully-paid Shares and partly paid Shares in proportion to the amount paid (not credited).

(d) Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (1) divide among the Shareholders the whole or any part of the Company's property; and
- (2) decide how the division is to be carried out between the Shareholders (or different classes of shareholders)

but may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

The liquidator may, with the sanction of a special resolution of the Company, vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Subject to the Constitution, the Corporations Act and other relevant laws, the Shares may be transferred by market transfer in accordance with a computerised or electronic system established or recognised under the Listing Rules or the Corporations Act, and by instrument in writing.

The Directors may decline to register a transfer of Shares where:

- (1) the Listing Rules permit the Company to do so;
- (2) the Listing Rules require the Company to do so; or
- (3) the transfer is in breach of the Listing Rules or any escrow agreement relating to "restricted securities" (defined under the Listing Rules) entered into by the Company under the Listing Rules.

(g) Future increase in capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to the Corporations Act, the Listing Rules and the Company's

Prospectus

Constitution, the Directors may issue shares on such terms and conditions as they determine.

(h) Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed at a general meeting. As with all general meetings of the Company, except as permitted by the Corporations Act at least 28 days written notice of the meeting must be given, and for a special resolution the notice must both specify the intention to propose the resolution as a special resolution and state the resolution.

(j) ASX Listing Rules

As the Company is already admitted to the Official List of the ASX, the following clauses apply despite the provisions of the Company's Constitution:

- (1) notwithstanding anything contained in the Company's Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (2) nothing contained in the Company's Constitution prevents an act being done that the Listing Rules require to be done;
- (3) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (4) if the Listing Rules require the Company's Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;
- (5) if the Listing Rules require the Company's Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and
- (6) if any provision of the Company's constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

Prospectus

8. Risk factors

8.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the Placement Options and the Offer Share offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in the Company is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares or options.

More specifically, the risks are that:

- (a) the holder is unable to sell the Placement Options or the Offer Share;
- (b) the price of the Shares does not exceed the price of the Offer Share or the exercise price of the Placement Options during the term of the Placement Options and as such is unlikely to exercise the Placement Options;
- (c) the price at which the holder is able to sell the new Shares issued on exercise of the Placement Options is less than the exercise price paid due to changes in market circumstances;
- (d) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (e) the Company fails to generate sufficient profit in order to pay dividends.

Potential investors should therefore carefully consider all associated risks before applying for Placement Options or the Offer Share under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the Placement Options or the Offer Share offered under this Prospectus are set out in this section. The risks identified in this section include general risks which are beyond the control of the Company, specific risks concerning the Company's current position and planned future ventures, and market risks relating to the digital currency and blockchain industries.

This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the Placement Options or the Offer Share offered under this Prospectus and the value of Shares.

As noted in section 4 of the Prospectus, the Company is intending to undertake investments and activities in the digital currency and blockchain industries. As the Company has not previously been involved in or invested in these industries, the Board believe that it is appropriate to provide an overview of the risks that relate to an involvement in these industries. Accordingly, section 8.2 below outlines company specific risks arising from involvement in digital currency and blockchain industries and section 8.3 outlines specific digital currency industry risks.

In addition, as the Company remains as an investment company listed on the ASX with a diverse class of assets and investments, it is also important to have regard to the risks which may impact the Company more generally. Section 8.4 outlines some of the key risks specific to an investment in the Company and section 8.5 outlines more general risks that may impact the Company.

Prospectus

8.2 **Company specific risks arising from involvement in digital currency and blockchain industries**

The following is a non-exhaustive list of risks to which the Company, and consequently, its Shareholders are exposed.

(a) **Development and commercialisation of blockchain and digital currency related products**

Through its relationship with Heuresy LLC, the Company presently intends to be involved with investing in and assisting with the design, development and implementation of a new digital currency exchange, an initial coin offering and the development of hardware security solutions for ICOs and exchanges among other planned ventures. Additionally, the Company intends that the funds raised from the Placement will be used to facilitate acquisitions of or investments in Blockchain technology, assets or businesses in addition to providing working capital. This may include equity investments in blockchain companies. The Company may also consider investing directly in digital currency via ICO's or pre-ICO's. Failing to successfully invest in or develop and commercialise these offerings, products, solutions or services is likely to negatively impact the Company's performance, reduce its future opportunities, and weaken its financial position.

(b) **Competition**

All aspects of the digital currency and blockchain industries - in particular, the development of Pre-ICO, ICOs, ICO advisory services, 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 that there is no guarantee the Company's ventures in these industries will be effective or economic. There is a risk is that competitors' products, services or offerings may render the Company's investments in digital currency or blockchain products, services or offerings obsolete or uncompetitive. For this reason, there can be no guarantee that any of the products, services or offerings associated with the Company's investment in digital currency will ever be commercialised, or generate a profit.

One notable risk arising from the intensity of market competition in the digital currency and blockchain industries is that the Company may be unable to compete successfully against future competitors who pursue a strategy of foregoing profitability in the short or medium term to grow their market share. Accordingly, in the event that the Company's investment in digital currency and blockchain products, services or offerings is successfully commercialised, there remains a risk that this form of aggressive competition could still result in reduced profitability and loss of market share which is likely to adversely affect its financial position.

(c) **Forecasts**

The digital currency and blockchain industries are by their nature highly volatile. As such, a large number of the factors which will determine the success of the Company's investment are beyond its control. Consequently, the future revenues or profitability of the Company's investments in these industries cannot be predicted. No forecast, prediction or representation about the Company's future financial position or performance, or that of the digital currency or blockchain industries in general, is made by the Company and its Directors.

(d) **Protection of technology rights and intellectual property**

Due to the intensity of competition in the digital currency and blockchain industries, the rate of innovation and the complexity of digital currency services, ICOs, blockchain and

Prospectus

related technologies and products, these industries are likely to be prone to expensive and protracted disputes regarding technology and intellectual property rights between competitors.

Obtaining and protecting intellectual property rights over all the technologies and products connected to the Company's investment will be essential to commercialisation and realising its growth potential. The prospects of the Company's investment in the digital currency and blockchain industries generating a profit and increasing in value depend significantly on its ability, in conjunction with its partners and investment entities, to obtain interests in all relevant intellectual property, maintain trade secret protection and operating without infringing the proprietary rights of third parties. In this regard, the Company and its Directors offer no assurance that any intellectual property which it, its partners or investment entities acquires will afford the Company or the holder commercially significant protection of its products or technologies, or that any of the projects that may arise from technologies will have commercial applications.

The Company expects, but does not warrant, that it will implement all reasonable endeavours to acquire and protect its interests in intellectual property. However, no assurance can be given that any measures taken to this end will be sufficient.

There is a risk that as yet unknown third parties may assert intellectual property claims in relation to digital currencies and blockchain, including any of the technologies or services associated with the Company's investment. Irrespective of the merit of any rights or claims asserted by third parties, such claims may adversely affect the Company. There is also a risk that the Company's investment may be indirectly adversely affected if a third party claim or asserted right reduces confidence in the longer-run viability of the digital currency or blockchain industries.

8.3 Specific digital currency industry risks

- (a) Increased regulation could reduce the opportunities and appeal of digital currencies and associated technologies

A core design feature of digital currencies utilising blockchain technology such as Bitcoin is their ability to operate free from third party regulation. This is also frequently a design feature of 'coins' offered up for purchase through ICOs. Accordingly, any future need for the digital currency industry to accommodate third party or government regulation is likely to have a significant impact on the Company's investments in digital currencies which have not been established to operate under such regulation.

There is a view within the digital currency and blockchain industries that because of the difficulties involved with the direct regulation of digital currencies, it is more likely regulation will be targeted at those holding or using digital currency.

Regulation directed at individuals and businesses using digital currencies has the potential to weaken the industry, and as a consequence, any investment by the Company in digital currency.

Any investment in or associated with digital currencies has a number of risk factors due to the emergent nature of digital currency exchanges, including the emerging regulatory risks involved with such an investment and the changing regulatory environment in which the proposed investment operates.

Digital currency exchanges and the related topics of crypto-currencies and initial coin offerings ("ICOs") raise legal, regulatory and public policy issues. A number of international regulators have issued guidance on the application of their securities and financial services laws on ICOs, and the regulatory status of ICOs in a number of overseas jurisdictions is subject to considerable uncertainty and rapid change.

Prospectus

Examples of government restrictions placed upon the use of digital currencies include:

- prohibiting banks and credit institutions from trading in digital currencies, as seen in Vietnam and China;
- banning of ICOs in China and South Korea;
- the attempted banning of all virtual currencies in Nigeria;
- the banning of anonymous virtual trading accounts and the imposition of strict Anti-Money Laundering requirements in South Korea;
- the imposition of new registration requirements for cryptocurrency miners and the application of securities laws to the ICO funding model in Russia;
- banning the use of digital currencies, including making it illegal to use digital currencies as a medium of exchange, or send or receive digital currencies from outside a jurisdiction, as seen in Russia with respect to Bitcoin;
- changes being made in Australia, Japan, Canada and elsewhere to regulate crypto-currencies under anti-money laundering legislation.] The Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill, which is currently before Parliament, would require digital currency exchange providers to register on a new “Digital Currency Exchange Register” to be maintained by AUSTRAC. Registered exchange providers would also be obligated to implement “Know Your Customer” procedures, implement a program to identify and address money-laundering risks, report suspicious transactions exceeding \$10,000 in value and maintain records relating to transactions and background checks for seven years.

However, the United Kingdom, Switzerland and the European Union have indicated they do not intend to pursue an aggressive regulation strategy at this stage.

From the standpoint of the Company’s investment in digital currencies and associated technologies, there is a significant risk in further countries imposing wholesale bans on the use of digital currencies. No forecast can be reliably made about the likelihood of further countries imposing any type of ban, or future regulation on the possession, trade or use of digital currency, however, any such ban or regulation is likely to adversely affect the Company’s investment in the digital currency industry.

(b) Legal and regulatory risk

A key concern often raised regarding digital currencies is its ability to hinder or evade law enforcement and facilitate criminal activity. The nature of blockchain technology and digital currencies enables users to maintain anonymity and conduct transactions outside the usual channels of international finance and governmental regulation. As governments and regulators continue to explore the benefits, risks, various applications and security and law enforcement implications of digital currencies, it is unclear what the regulatory response to these issues will be - both in Australia and internationally.

The introduction of new legislation, amendment of existing legislation or the interpretation and application of existing legislation could adversely impact the digital currency market, and as a consequence, the Company’s investments in this industry and its overall financial position. There is also a risk that regulators or law enforcement may take action against the Company regarding commercial, legal, or regulatory matters in respect of this industry. The Company’s exposure to several aspects of the digital currency industry leave it particularly exposed to any adverse impact resulting from changes to legislation, or efforts by law enforcement agencies to enforce existing legislation.

Prospectus

In Australia, ASIC has issued guidance stating that the legal status of an ICO is dependent upon characteristics such as its structure, and the rights attached to coins or tokens under the ICO. It is possible that under the Corporations Act, an investment in an ICO may be classified as a derivative, share or managed investment scheme. In the absence of further guidance, this regulatory uncertainty is a distinct risk factor for investing in ICOs where Australian law applies.

Likewise, the United States' SEC has released a report stating that offers and sales of digital assets by virtual organisations are subject to federal securities laws. The SEC has also taken a proactive approach to policing fraud and theft within the digital currency industry through the recent creation of a Cyber Unit with direct oversight of digital currencies.

No forecast can be made as to what approach financial and corporate regulators in Australia, the United States or elsewhere will take towards digital currency and blockchain technology in the future. The current uncertainty surrounding the ultimate application of securities, investment and corporate law to digital currencies around the world creates a level of risk for companies investing in or involved in the digital currency industry, including for the Company.

(c) Risk of higher transaction fees

At present there are transaction fees incurred from the use of digital currency as a medium of exchange. Transactions can also be facilitated and authenticated by a process known as 'mining', whereby individuals are rewarded with tokens in the particular digital currency for solving the mathematical equation that creates the blockchain. This process serves the function of facilitating and authenticating transactions between users.

Where the currency is supported by mining, given that there is a fixed quantity of most digital currencies, and, therefore, a limited and scarce pool of currency available to reward miners, the incentive to continue mining will gradually decrease over time. The resources (including time, computing power and electricity costs) involved in mining increase as the number of available coins is earned through mining. Once the vast majority of a digital currency has been mined, a point will be reached where the rate of reward for mining is no longer considered sufficient compensation by miners for the expense and effort involved in mining, unless they are further compensated with an additional transaction fee. Since it is currently estimated that it will be at least a decade before the majority of available coins for the major digital currencies have been mined, this is not a short term risk.

However, in the event that the reward for mining fails to attract a sufficient number of miners to sustain a digital currencies network, the network will be vulnerable to being taken over and corrupted by a single user. Moreover, if the network cannot attract a sufficient number of digital currency miners, the appeal of the digital currency as an investment or medium of exchange may suffer, adversely affecting all aspects of the Company's investment in the industry.

(d) Digital currency theft and security

Even with comprehensive cyber-security protections, it is possible for digital currencies to be stolen. There have been a number of substantial and high profile thefts of digital currencies over recent years. While the Company and its Directors take cyber-security very seriously, they can give no assurance that any steps they take will be sufficient to ensure the security of the Company's investments or holdings in digital currency or any exchange its partners or investment entities operate.

Prospectus

(e) Open source software risks

The vast majority of other digital currencies are open source projects. For such open source projects, while there is an influential group of leaders in most major digital currencies such as Bitcoin and Ethereum, no one single entity or developer holds binding control over any of the major digital currencies. This allows any individual to download the network software underpinning the digital currency and propose changes and modifications to users and miners through software downloads and upgrades. Modifications only become part of the wider blockchain network through miners and users adopting changes by downloading the relevant upgrades.

This makes it possible that a developer, or a group of developers, could propose a modification to the network of a major cryptocurrency which is adopted by a substantial number of users of a blockchain network, but not an overwhelming majority, the outcome being a 'fork' resulting in two separate digital currency networks. The new currency network would either carry on as a separate currency (a 'hard fork'), or be merged back into the original currency (a 'soft fork'). Forks are not an uncommon occurrence, but will each be unique, both in terms of the circumstances in which one arises and in the market conditions following each fork.

It is possible that a fork could adversely impact the value, market size and sustainability of the forked exchange, and further the entire digital currency industry. In turn, this would likely weaken the market for digital currency exchanges, digital currency security systems and ICO advisory services, as well as heighten market perceptions about the risks attached to ICOs due to their reliance on blockchain technology.

One additional risk is that a malicious actor or a botnet or Dos attack - that is, a volunteer or hacked collection of computers controlled by networked software - obtains a majority of the processing power on a digital currency blockchain network, enabling it to unilaterally alter the source code. This would grant the hacker or malicious actor the power to prevent transactions taking place and interfere with all facets of the blockchain network. This eventuality would harm investor confidence in blockchain technology and the digital currency industry, adversely affecting the interests of the Company in these industries.

(f) Digital currency exchange risks

Digital currency exchanges are electronic marketplaces where exchange participants may trade, buy and sell digital currency based on bid-ask trading. Large electronic exchanges typically operate online and trade on a constant, 24 hour basis.

Digital currency exchanges are at a permanent risk of experiencing technical difficulties, and being hacked or shut down. For users holding digital currencies through exchange accounts, this presents an ongoing risk of their currency holdings being lost.

There have been numerous recent examples of large scale digital currency exchange hacks and security breaches. In several cases, electronic currency exchanges have permanently closed following major instances of fraud or security breaches, resulting in substantial losses across thousands of users. It should be emphasised that all electronic currency exchanges face security risks to some extent. Smaller electronic currency exchanges are less likely to have the infrastructure and capitalisation to deploy the most sophisticated security mechanisms. Although larger exchanges have the resources to invest more heavily in security, their larger currency holdings also make them a more attractive target for hackers.

Any attempted or successful security breach on a digital currency exchange associated with the Company's investment is likely to significantly harm its reputation

Prospectus

within the market and deter investors. Furthermore, any future security breaches of other currency exchanges would reduce confidence in the digital currency industry as a whole. This would adversely affect the Company's investments in these industries and financial position.

(g) Additional technology risks

Current digital currency technology; including all products and ventures associated with the Company's investment, may be rendered obsolete by new inventions and technologies. In this event, it is likely the Company would get no return on any of its investments associated with digital currency.

Furthermore, there is an ongoing risk that any modification made to the source code of any digital currency products connected to the Company's investment could have an adverse impact on the Company.

The vast number of digital currencies are based on a cryptographic, algorithmic protocol that governs the end-user-to-end-user interactions between computers within a network. As mentioned above, it is possible for amendments to the source code of digital currencies to be made on an opt-in basis by users. There is a risk that such amendments could change fundamental characteristics of digital currencies such as the irreversibility of transactions, and the creation of additional currency. The result of any major modification to fundamental characteristics of major digital currencies would likely be reduced confidence in the industry and the emerging use of various digital currencies as mediums of exchange. This could adversely affect the Company's investment in digital currency, the undertaking of an ICO by its partners or investment entities, and its other ventures and investments within the digital currency industry.

(h) Limited number of merchants that accept digital currency

The number of businesses that accept digital currencies has increased substantially over the past 12 months. That said, the number of businesses and public entities that accept digital currency remains very limited. The acceptance of digital currencies other than bitcoin remains exceedingly uncommon. Despite frequent predictions of wider adoption, no assurance can be made that more businesses or merchants will begin accepting digital currency in the future. This limitation on the use of digital currencies as a medium of exchange should be regarded as a long-term investment risk. The Company and its Directors give no warranty that digital currencies will be adopted more widely in the future. Failure to obtain increased acceptance of digital currency by merchants and business is likely to have an adverse impact on the value of digital currency.

(i) Volatility and Liquidity

The volatility of digital currencies is a leading risk for the Company particularly where its investments involve a direct interest in an ICO, the development of an ICO, an electronic currency exchange and other related digital currency services. No assurance can be made that any interest the Company acquires in the digital currency and blockchain industries will maintain its long-term value. A sustained decline in the market capitalisation of digital currency or individual currencies will adversely impact the Company's investment in these industries.

Likewise, there is no guarantee that any direct investment the Company makes in digital currencies will ultimately be able to be liquidated or traded in a liquid market. If there is no or limited liquidity in the market for trading digital currencies held by the Company this is likely to adversely impact the value of those currencies and the Company.

Prospectus

(j) Uncertainty regarding the future of digital currencies

Digital currencies are a relatively new concept and their long-term outlook is likely to remain uncertain for the foreseeable future. The eventuation of any of the risks raised in this prospectus would be highly likely to adversely impact the digital currency industry in general as well as the Company's investments in this industry.

(k) Digital currencies may be hoarded

The limited quantity of most digital currencies is a core reason behind their appeal as an investment and store of value. However, this carries the risk that digital currencies may be hoarded. Over a prolonged period, hoarding would reduce the liquidity of the digital currency market, potentially causing a significant reduction in price and adversely affecting the Company's investment in this industry as a result.

(l) Insurance risks

Given digital currency and blockchain are relatively new industries, no assurance can be made that appropriate insurance will be available in relation to any venture connected to the Company's investment in these industries. Any event that is not, or cannot be fully insured for could have a detrimental impact on the Company's financial position.

(m) Taxation

Tax authorities, both in Australia and abroad, are paying increasing attention to the taxation of digital currencies. In the United Kingdom for example, taxation authorities have indicated that digital currency mining would not be subject to a value added tax, but transactions between consumers and merchants would. In December last year the Australian Taxation Office (**ATO**) released a guidance paper providing an overview of their tax treatment for transactions associated with cryptocurrencies,. In summary, the ATO position was that Bitcoin and other digital currencies are neither money nor a foreign currency, and the supply of bitcoin is not a financial supply for goods and services tax purposes. The ATO has however determined that digital currencies are an asset for capital gains tax purposes, but are not subject to the GST.

At present, no prediction or forecast can be made regarding any future tax treatment or classification of digital currency. It is also possible that governments in Australia or in overseas jurisdictions will introduce additional taxes in response to the rapid wealth accumulation enjoyed by some digital currency investors. In view of these uncertainties, the Company and its Directors make no assurance that the future tax treatment of digital currencies will not adversely affect its investment in the digital currency industry.

(n) Blockchain technology risks

Blockchain technology is the source of the underlying distributed ledger technology that facilitates the exchange of digital currencies. There is currently significant interest in blockchain technology beyond the digital currency industry, including among banks, financial intermediaries, financial technology start-ups and others. While this presents an opportunity for developers and businesses involved with blockchain technology, it remains the case that technology behind blockchain is new and in many ways untested. There is no guarantee blockchain technology and the underlying concept of a distributed ledger will be successfully modified to allow transactions with other types of assets, such as securities or derivatives.

Prospectus

(o) Theft or Loss of Private Key

Digital Currencies have a private and public key used to trade between currencies and buy and sell goods and services. When holding digital currencies that are not stored on an exchange you are required to store them on a paper wallet or a digital wallet. If the private key is lost or stolen then the user will lose their entire value in the digital currency.

(p) Competition Risks

There are over 1500 listed Digital Currencies. Some of these compete directly with each other. It is expected that some will not survive or there may be consolidation which will affect the market capitalisation and price of the Digital Currencies.

(q) Proof of Stake and Proof of Work Risks

Bitcoin is the largest Proof of Work Digital Currency with tens of thousands of computers forming a global network to verify transactions on the blockchain. This comes at a large cost of electricity and impact on the environment. Some other Digital Currencies are utilising Proof of Stake to create a more efficient method of verifying transactions on the blockchain. As the market evolves there is a risk that either of these methods or both will not exist in the future.

(r) Network Congestion Risk

During peak periods of activity and backlog this can lead to Network Congestion that leads to slow transaction times and delay. With high volatility this could impact on FGF when liquidating Digital Currencies to fiat currency such as the Australian Dollar.

(s) Trading Pairs Risk

The vast majority of all Digital Currencies cannot be trading between each other and nor can they be traded to fiat currency such as the Australian Dollar. This is particular the case with new Digital Currencies that are listed on exchanges. The majority of Digital Currencies are traded between Bitcoin and Ethereum. To convert a Digital Currency to fiat currency one has to convert to Bitcoin or Ethereum and then trade to fiat currency. The additional transaction may have an impact on fees, network congestion and price volatility.

(t) Currency Risk

If the conversion of Bitcoin or Ethereum is converted to USD and then converted to AUD there is a currency risk.

(u) Unverified public information

There is a large community of forums, blogs and new sites that publish information on Digital Currencies. Due to the speed of information flowing through these networks it is difficult to verify the information accuracy which may have an impact on Digital Currency prices in the short term.

(v) ICO & Pre-ICO Risk

Investing at Pre-ICO and ICO requires locking in a price for tokens. The Digital Currency price may open lower when the Digital Currency starts trading on the exchanges. This may adversely affect any investment FGF makes in ICOs or pre-ICOs.

Prospectus

(w) Software Developer Interest

Software developers' and blockchain engineers' interest in a Digital Currency has an impact on demand for the Digital Currency and affects its market capitalisation and price. If there is little development of new applications and solutions there may be lead to limited or no demand for a Digital Currency.

(x) Use Case for Digital Currency

A lack of use case for a Digital Currency including the adoption into real world solutions can have an impact on price and value of Digital Currency.

(y) Inflationary and Deflationary Factors

Some Digital Currencies increase the number of coins and tokens in supply over time whilst others decrease supply over time. Some Digital Currencies also have a fixed cap on total number of coins in supply. Additionally coins can be lost due to theft or accidental loss of private keys by the holders of the Digital Currency. These factors can have an impact on price and value of Digital Currency.

8.4 Risks specific to an investment in the Company

In addition to the Company specific risks arising from involvement in digital currency and blockchain industries noted in section 8.3 above, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited those risks described below.

(a) Investments by the Company

As the Company has no set investment mandate or restrictions on investment management, the Company is able to take up investment opportunities it deems appropriate, as, when and where they arise. The Company's investments are not restricted by size or market capitalisation, whether the relevant entities are listed or unlisted, their industry or geographic location (although the Company's current portfolio is dominated by Australian listed entities or any other characteristic. The investments held by the Company at any time may vary widely.

Given the Company's broad investment strategy, the Company's risk profile should be considered high risk compared to fixed interest or cash assets.

The Company's investment strategy includes inherent risks, including but not limited to the following:

- (1) the investment strategy relies on the ability of the Company to devise and maintain a portfolio which meets the Company's investment objectives and strategies;
- (2) the investment strategy may prove to be unsuccessful if market and economic conditions change in a manner which is not anticipated by the Company; and
- (3) the diversity of the Company's portfolio may not be sufficient to sustain any losses.

The Company intends to review and consider significant investments by the Company in equities, small businesses, technologies or other asset classes. Any such transactions would be accompanied by the risks inherent in making investments in equities and assets that the Company may not receive a return on these investments. For example, there may be liabilities in connection with such investments which are not

Prospectus

identified in the Company's due diligence or the investments may not prove to be successful.

Risks associated with such investments will also arise from the Company's ability to execute the investment and then, if necessary, correctly manage the development of the business operations and growth strategies moving forward. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships. The Company intends to often invest in businesses likely to list on a recognised securities exchange however this outcome may not be achieved which could have a negative impact on the value of the investment.

Individual investments within the Company's portfolio may fall in value for many reasons such as changes in the entity's internal operations, management or business environment. If this occurs the value of the Company's net tangible assets after tax will be reduced.

(b) Contract Risks

The Company may enter into agreements and undertakings with third parties from time to time. If the Company is unable to satisfy the conditions of these agreements and undertakings, or if it defaults on its obligations under these agreement and undertakings, the Company's interest in their subject matter may be jeopardised. Further, if the third parties default on their obligations under the agreements and undertakings, the Company may be adversely affected.

As in any contractual relationship, the ability for the Company to receive the full benefit of its business dealings is dependent upon the relevant third party or parties complying with their contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to pursue or defend legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

(c) Lack of Executive Management

The Company's management currently consists of three non-executive directors, one executive director (Mr Manzoori) and an additional proposed non-executive director (Mr Zhang). The Board is aware of the need to have sufficient management to properly supervise the Company's investments in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company.

As the Company's investment activities require an increased level of involvement the Board will look to appoint additional management and or consultants when and where appropriate to ensure proper management of the Company's investments.

However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its investment objectives. The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends on the sustainability of the Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these Directors cease their engagement with the Company.

Prospectus

(d) Dependence on Key Personnel

The success of the Company will to an extent depend on the Directors' and key consultants' ability to successfully manage the Company's performance and exploit new opportunities. The loss of service of the Directors and key consultants could have an adverse effect on the proposed operations of the Company.

(e) Competition

The industries in which the Company will be involved may be subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

(f) Uncertainty and Future Profitability

The Company has incurred significant financial losses in the past, ultimately resulting in the appointment of the Administrator. It is not possible to evaluate the Company's future financial prospects based on past performance. The past performance should not impact on the future opportunities of the Company.

While the Directors have confidence in the future capital growth potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash-flow from its operating activities.

The information in this Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's investment objectives will not be achieved.

(g) Interest Rate Risk

Changes in interest rates can have an impact directly or indirectly on the Company's investment valuations and returns on any cash deposits held. For example, an increase in interest rates will increase the cost of borrowing and potentially reduce the profits of the Company's investments. A decrease in interest rates would reduce any revenue the Company receives through interest on cash deposits.

(h) Accounting policy risk

Changes to accounting policies may influence the approach in determining the fair value of investments held by the Company and may have a detrimental impact on the fair value of investments.

(i) Company Risk

Risks particular to the Company include that the Company may give different after-tax results than if investing individually because of income or capital gains accrued in the Company.

(j) Financial Market Volatility

A fall in global or Australian equity markets, global or Australian bond markets or a rapid change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on the share prices of the Company's investments and the ability of the Company's investments to list on the ASX or raise funds.

Prospectus

As a result no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments.

(k) Tax

Taxation and changes to tax laws and systems can have an effect on returns to the Company from its investments but also the relative merit of putting monies in various asset classes and in an individual security.

(l) Asset Liquidity

As at the date of this Prospectus, the majority of the Company's investment portfolio is traded on listed public exchanges or held in cash. The Company has a broad investment mandate and as the capacity to invest in liquid and illiquid assets. The liquidity of the Company's assets can be affected by changes to the issuers of those financial assets, market factors and various macroeconomic conditions. Those changes can have a negative or positive impact on asset liquidity and there is no way the Company can predict any such changes.

This risk may result in the Company's underlying investments not being able to be sold when the Company decides it is appropriate to sell and may adversely impact on the Company's ability to realise value from the investments it makes. For example, the lack of liquidity could result in a loss if the delay in the sale of the investment results in a decline in the value of the investment. The Company seeks to mitigate those risks through prudent and careful evaluation and selection of investments.

The return on the Company's investments may also be affected by government policy and the general health of the sectors in which the subject of the relevant investments operate.

(m) Interdependence Risk

The Company may be exposed to interdependence risk where an allocation to investment strategies is based on assumptions about observed historical relationships that may not persist in the future.

(n) Strategy Implementation Risk

The Company may be exposed to strategy implementation risk where actual returns are lower than the return of the Company's model portfolio because the Company has not implemented the trades and transactions as planned due to market closure, illiquidity, unavailability of investments, price changes, a cancelled or disputed trade or transaction or administrative error.

(o) Systematic Risk

The Company may be exposed to systematic risk where a disruptive event causes a change of events to disrupt or compromise the normal functions of a system.

(p) Industry Risk

There are a number of industry risk factors that may affect the future operation or performance of the Company that are outside its control. These include regulatory and compliance costs and variations in legislation and government policies generally.

(q) Cash flows

The Company's investment portfolio generates cash flow in two key ways:

Prospectus

- (1) purchase and sale of securities and other investments; and
- (2) dividends, distributions and other forms of investment income.

Cash flows may be adversely affected by a number of factors including movements in the market value of the Company's investments in listed securities, as well as interest, dividends and other income received during the year, as well as gains on disposal of assets. The Company is not able to guarantee gains on divestment of portfolio assets, or indeed any other form of investment income. That income is subject to a wide range of variables relating to the underlying investments, making this aspect of the Company's cash flow irregular and inconsistent.

The Company's ability to pay dividends depends on it achieving profitable returns on investments. There is no guarantee that the Company will achieve future earnings and/or capital appreciation or pay any dividends or make any other returns to Shareholders. The Company may make inappropriate investment decisions, which may result in the poor performance of the Company's investments, and insufficient returns to pay dividends to Shareholders.

(r) Concentration Risk

Concentration risk is the risk that poor performance in a particular market may significantly affect the Company because of a lack of diversity within the Company's investments.

Although the Company has the ability to invest in many markets at any given time, it may in fact be invested in only a small number of markets from time to time. Generally, the fewer markets in which the Company invests, the greater the overall volatility of the Company's portfolio. This may result in large movements in the Share price of the Company within short periods of time.

(s) Price: NTA risk

There is a risk of loss associated with the Share price not trading on the ASX at the net tangible asset (NTA) backing. The Shares may trade at a premium or discount to its NTA backing and the level of any premium or discount will likely fluctuate over time.

(t) Additional requirements for capital

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and investments.

No assurance can be made that additional finance or investment to supply this funding will be available if needed, or that the terms of any finance that is available will be favourable to the Company. In particular, there is a risk that obtaining financing or additional investment for this purpose may result in a substantial dilution of the investments of existing Shareholders.

The arrangement between the Company and Heuresy LLC pursuant to the Heuresy Term Sheet provides that the budget for commercialisation of matters the subject of the Heuresy Term Sheet, including the proposed ICO and associated ongoing support, may reach US\$2 million or more prior to the raising of any further capital through the proposed ICO. The Company is presently considering the funding requirements in this regard and it is noted that funding is yet to be committed to by the Company, or any other party.

Prospectus

8.5 General Risks

The Placement Options and the Offer Share that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company is an investment company listed on the ASX, and as such is considered highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

(a) Share Market Risk

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. Further, the market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. Neither the Placement Options nor any Shares (including those issued on exercise) carry any guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the market price of the Placement Options and Shares and neither the Company nor its Directors have control of those factors.

(b) General Economic Conditions

Changes in the general economic climate in which the Company operates or holds investments in may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, currency fluctuations, inflation, supply and demand, industrial disruption, changes in investor sentiment, terrorism or other hostilities and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(c) Legislative change and Government Policy

Changes in laws and regulations in Australia or other relevant jurisdictions may adversely affect the financial performance or the current and proposed operations generally of the Company. Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company. Further details regarding this risk in the context of the digital currency and blockchain industries are set out above in section 8.3.

In addition to legislation changes, changes in relevant taxation, interest rates, other legal or administrative regimes, as well as Government policies in Australia or in any other markets in which the Company may do or intend to do business, may have an adverse effect on the assets, operations and ultimately the financial performance of both the Company and the entities in which it invests. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

Changing attitudes to financial services regulation and protection of investment activities, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's business, operations or financial condition.

Prospectus

(d) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(e) Liquidity

The Placement Options will not be listed. As such there will not be an active market in the Placement Options and there may be limited opportunities to transfer Placement Options. Likewise, there is no guarantee that there will be an active market in the Shares or that the price of Shares will increase.

(f) Litigation Risks

The Company is exposed to possible disputes and litigation risks including contractual disputes. If any such claim or dispute is proven, this may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(g) Force Majeure

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

8.6 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. 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 Shares or the Placement Options offered under this Prospectus. To that extent the Shares and Placement Options offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the price (if any) at which the Shares or Placement Options may trade and the payment of dividends in any future time.

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. An investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers in relation to the issue of Placement Options and the Offer Share pursuant to this Prospectus.

Prospectus

9. Additional information

9.1 Continuous disclosure obligations

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offers on the Company and the rights and liabilities attaching to the Offer Share, the Placement Options and Shares to be issued on exercise of the Placement Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2017;
- (b) financial report for the half year ended 31 December 2017; and
- (c) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2017 and ending on the date of lodgement of this Prospectus with ASIC.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
31/08/2017	2017 Annual Report
31/08/2017	2017 Appendix 4G
01/09/2017	2017 Appendix 4E Preliminary Financial Report
04/09/2017	Company Update
18/10/2017	Quarterly Activities and Cashflow Report
27/10/2017	Notice of Annual General Meeting/Proxy Form

Prospectus

Date	Description of Announcement
01/11/2017	Response to ASX Price Query Letter
16/11/2017	Subsidiary established for digital currency investments
16/11/2017	Suspension from Official Quotation
27/11/2017	Response to ASX Query Letter
27/11/2017	Reinstatement to Official Quotation
27/11/2017	Execution of Binding Term Sheet
27/11/2017	Results of Meeting
6/12/2017	Appendix 3B
14/12/2017	FGF Strengthens its Board with Appointment of Key Director
20/12/2017	Terms of Appointment of Key Director
28/12/2017	Trading Halt
2/01/2018	Share placement to raise \$3.45m to expand into blockchain sector
5/01/2018	Appendix 3B
11/01/2018	Appendix 3X
11/01/2018	Appendix 3B - Exercise of Options
11/01/2018	Company Update
16/01/2018	Response to ASX Appendix 3X Query Letter
16/01/2018	Appendix 3B - Exercise of Options
18/01/2018	Appendix 3B - Exercise of Options
22/01/2018	Letter to Option Holders
29/01/2018	Blockchain Global Completes Due Diligence
29/01/2018	Notice of Extraordinary General Meeting
31/01/2018	Quarterly Activities and Cashflow Report
1/02/2018	Appendix 3B - Exercise of Options
6/02/2018	Change of Director's Interest Notice
07/02/2018	Change of Director's Interest Notice
07/02/2018	Appendix 3B - Exercise of Options
08/02/2018	Listed Options - Last Day of Quotation
08/02/2018	Listed Options - Last Date of Quotation Correction
08/02/2018	Change of Director's Interest Notice
09/02/2018	Appendix 3B - Exercise of Options
09/02/2018	Change of Director's Interest Notice
09/02/2018	Change of Director's Interest Notice
14/02/2018	Appendix 3B - Exercise of Options
15/02/2018	Change of Director's Interest Notice
19/02/2018	Company Update
21/02/2018	Appendix 3B - Exercise of Options

Prospectus

Date	Description of Announcement
26/02/2018	Appendix 3B - Exercise of Options
28/02/2018	Trading Halt
28/02/2018	Results of Meeting
28/02/2018	Investment Strategy Update
28/02/2018	Half Year Report and Appendix 4D
28/02/2018	Capital Raising Update

9.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules, in accordance with the ASX Listing Rules, and which is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Placement Options and Shares and which information would be reasonable for investors and their professional advisers to expect to find in this Prospectus.

9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.043	9/01/2018
Lowest	\$0.013	1/12/2017 ¹
Last	\$0.02	27.02.2018

1. and 13/12/2017.

9.4 Additional information regarding the Placement

In its announcements of 2 January 2018 and 11 January 2018 the Company has disclosed the terms on which the Placement would take place. For the information of Shareholders a summary of several important terms is included here.

Escrow

The Placement Shares issued to BCG (114,711,813) will be subject to voluntary escrow for 12 months from issue. The Placement Shares issued to other Investors will not be subject to escrow and any Shares issued on exercise of the Placement Options will not be subject to escrow.

Additional rights and obligations - BCG

Upon completion of the issue of the Placement Shares, BCG has agreed to provide the following services to the Company at no charge or cost to the Company:

Prospectus

- a) assistance with establishment and operation of a Blockchain Centre in South Australia by providing the initial Blockchain Centre licence and one staff member at \$200,000 in value, if FGF elects to establish such a centre in its sole discretion; and
- b) access to a Pipeline of deal flow from BCG's Australian and Global Networks.

Subject to BCG maintaining a shareholding in the Company of at least 5%, it may nominate one person to be appointed as a non-executive Director of the Company on completion of the Placement - that person being Daniel Zhang. In addition, if Milestone 3 (outlined below) is satisfied and BCG maintains a shareholding in the Company of at least 5%, BCG will have the right to appoint one additional Director.

Underwriting of Series B and Series C Options

As at 1 January 2018, the Company had on issue 272,866,800 Series B listed Options exercisable at \$0.02 and expiring on 17 February 2018 and 161,747,397 Series C listed Options exercisable at \$0.02 and expiring on 20 February 2018. BCG had agreed to underwrite the exercise of 50% of the Series B and Series C options on issue (being a total of 217,307,099 options) (**Underwritten Options**) in return for an underwriting fee of 6% of the total exercise price of the number of the underwritten Options on issue as at 31 December 2017 (equal to \$260,768.52) (**Underwriting Fee**). Subject to shareholder approval, the Underwriting Fee will be payable in Shares at an issue price of \$0.012237 (**Underwriting Fee Shares**). If such approval is not obtained by 28 February 2018, the Underwriting Fee will be payable in cash.

As at their respective expiry dates, 103,730,824 Series B listed Options and 53,270,435 Series C listed Options were not exercised. As more than 50% of the Series B and Series C options on issue as at 31 December 2017 were in fact exercised by holders, BCG was not required to subscribe for any Shares in respect of the Underwritten Options.

BCG Milestone Shares

With the level of subscription made by Blockchain Global and their additional involvement as outlined above, the Company agreed to the issue the following shares to Blockchain Global (or its nominee) on achievement of certain milestones and subject to all necessary shareholder and regulatory approvals being obtained and the issue not resulting in a breach of Chapter 6 of the Corporations Act or otherwise requiring shareholder approval under Item 7 of Section 611 of the Corporations Act:

- Milestone 1: FGF's share price trading over 3c for 20 consecutive business days - within 24 months of completion of share placement, 20,000,000 ordinary shares;
- Milestone 2: FGF's share price trading over 4c for 20 consecutive business days - within 24 months of completion of share placement, 20,000,000 ordinary shares; and
- Milestone 3: FGF's share price trading over 5c for 20 consecutive business days - within 24 months of completion of share placement, 20,000,000 ordinary shares.

(together the **BCG Milestone Shares**).

In the event that the Company is not entitled to issue a notice under section 708A(5)(e) of the Corporations Act (a cleansing notice) as at the date of issue of any BCG Milestone Shares, the issue of the applicable Milestone Shares will be subject to the holder of the BCG Milestone Shares entering into a voluntary escrow deed in the form provided by the Company prior to the date of issue of the BCG Milestone Shares. The BCG Milestone Shares are not being offered pursuant to this Prospectus.

Prospectus

9.5 Constitution

The Constitution is in a form common to public companies in Australia and was adopted by the Company on 28 February 2011.

The Company will provide a copy of the Constitution to any Shareholder upon request, free of charge.

9.6 Corporate Governance

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

9.7 Interests of Directors

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion;
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (d) to induce them to become, or to qualify as, a Director of the Company; or
- (e) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus as well as at completion of the Offers, is set out below.

Shares

Prospectus

Director (including associated entities)	Current Shareholding (Direct and Indirect)	% of Total Share Capital (1,142,391,549 Shares on issue)	Shareholding following Placement	% of Total Share Capital following completion of Placement (1,495,959,298 Shares on issue) ²
Michael Clarke	15,030,302	1%	15,030,302	1%
Athan Lekkas	34,472,727	3%	34,472,727	2%
Geoff Barnes	128,000,000	11%	128,000,000	9%
Anoosh Manzoori ¹	0	0%	0	0%
Daniel Zhang (Proposed Director)	0	0%	0	0%
Other holders	964,888,520	84%	1,368,456,269	88%
Total	1,142,391,549	100%	1,495,959,298	100%

¹ This assumes that no Manzoori Milestone Shares are issued and the Manzoori Options are not exercised.

² This assumes that all Placement Shares, the Underwriting Fee Shares and Additional Placement Shares have been issued, but that no Placement Options or Manzoori Options have been exercised, and that no BCG Milestone Shares or Manzoori Milestone Shares have been issued.

Options

As at the date of this Prospectus, no Director or Proposed Director holds any Options. Subject to receipt of Shareholder approval at the Meeting, Mr Manzoori will be issued 10,000,000 Options.

Remuneration

Anoosh Manzoori is an executive Director and his associated entity, Polygon Fund Pty Ltd is engaged pursuant to a consultancy agreement to provide services of an executive director. Consultancy Fees in the amount of \$90,000 per annum are payable in this regard. Mr Manzoori will also, subject to the receipt of Shareholder approval at the Meeting, be issued the 10,000,000 Manzoori Options and, subject to the achievement of certain milestones, the 60,000,000 Manzoori Milestone Shares.

The Manzoori Options will have an exercise price of \$0.03, will expire 2 years from the date of their issue and will otherwise be issued on the same terms as the Placement Options, as set out in section 7.1.

Subject to receipt of all necessary shareholder approvals and any necessary ASX waivers being obtained and the achievement of certain milestones and Mr Manzoori remaining as a director at the time of achieving those milestones, Mr Manzoori (or his nominee) will be issued Shares in the following manner:

Timeframe	Shares	Milestone
0-12 months from appointment	15,000,000	Set up an advisory business unit (ABU) within the Company to assist the Company with initial coin offerings (ICOs) and crypto-currency offerings. This will be satisfied once the applicable business plan and

Prospectus

Timeframe	Shares	Milestone
		policies for the ABU have been prepared and approved by the board. AND Secure a minimum of 2 strategic partners for the Company that are approved by the board, who will either participate in Company ICOs and/or can provide distribution and access to ICO and crypto-currency investors during an ICO.
	15,000,000	First \$2,000,000 consideration from the ABU or any ICO activity received by the Company (Tranche A). Consideration includes the cumulative of cash, shares and crypto-currency.
12-24 months from appointment	15,000,000	Second tranche of \$2,000,000 consideration (Tranche B) (being a combined total of \$4,000,000 with Tranche A) from the ABU or any ICO activity received by the Company. Consideration includes the cumulative of cash, shares and crypto-currency.
	15,000,000	Third tranche of \$2,000,000 consideration (being a combined total of \$6,000,000 with Tranche A and Tranche B) from the ABU or any ICO activity received by the Company. Consideration includes the cumulative of cash, shares and crypto-currency.

Each of Geoff Barnes, Athan Lekkas and Michael Clarke are non-executive Directors. The total maximum remuneration of non-executive Directors is set ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$450,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration for the previous 2 financial years and the current financial year to date paid to those Directors who are currently Directors as at the date of this Prospectus.

Director	Financial Year ending 30 June 2016	Financial Year ending 30 June 2017	To date in this Financial Year
Geoff Barnes	53,000	184,000 ¹	75,000
Athan Lekkas	50,000	184,000 ^{1, 3}	75,000 ³
Michael Clarke	51,500	108,000 ^{2, 4}	55,000 ⁴
Anoosh Manzoori	-	-	15,000 ⁵

Note: The above disclosure relates only to current Directors and does not include directors who resigned during the periods shown or prospective Directors.

Prospectus

1. Includes equity settled share base payments with a value of \$84,000.
2. Includes equity settled share base payments with a value of \$28,000.
3. Fees were paid for invoices for services provided by Dalext Pty Ltd (Athan Lekkas is a director of this entity).
4. Fees were paid for invoices for services provided by Sparke Enterprises Pty Ltd (Michael Clarke is a director of this entity).
5. Fees were paid for invoices for services provided by Polygon Fund Pty Ltd (Anoosh Manzoori is the sole director of this entity)

Each of the Directors currently receives the following remuneration from the Company for his services as a Director (whether engaged directly in the case of Geoff Barnes and Anoosh Manzoori or for services provided by entities of which a Director is a director in the case of Athan Lekkas and Michael Clarke):

Director	Remuneration per annum ¹
Geoff Barnes	\$60,000
Athan Lekkas	\$60,000 ²
Michael Clarke	\$60,000 ³
Anoosh Manzoori	\$90,000 ⁴

Notes:

1. Additional payments may be made to directors or relevant consulting entities for services which are outside the scope of the ordinary duties of a director.
2. Dalext Pty Ltd (Athan Lekkas is a director of this entity) has been engaged by the Company to provide the services of a non-executive director for a fee of \$60,000 per annum.
3. Sparke Enterprises Pty Ltd (Michael Clarke is a director of this entity) has been engaged by the Company to provide the services of a non-executive director for a fee of \$60,000 per annum.
4. Polygon Fund Pty Ltd (Anoosh Manzoori is the sole director of this entity) has been engaged by the Company to provide the services of an executive director for a fee of \$90,000 per annum.

It is proposed that Daniel Zhang, once appointed, will also receive annual remuneration from the Company for his services as a Director in the amount of \$60,000 per annum.

9.8 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

Prospectus

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) services agreement with Polygon Fund Pty Ltd which requires that entity to provide an executive director to the Company for a fee of \$90,000 per annum with additional remuneration being payable if Polygon Fund Pty Ltd provides services which are outside the scope of the ordinary services of an executive director. The Company has also entered an executive director letter of appointment with Mr Manzoori, which also provides for the issuing of the 10,000,000 Manzoori Options and the 60,000,000 Manzoori Milestone Shares (as set out above in section 9.7);
- (b) non-executive Director agreement with Mr Geoff Barnes which currently provides for the payment of fees of \$60,000 per annum. Additional remuneration may be payable if Mr Barnes provides services which are outside the scope of the ordinary services of a non-executive director;
- (c) services agreement with Dalext Pty Ltd which requires that entity to provide a non-executive director to the Company for a fee of \$60,000 per annum with additional remuneration being payable if Dalext Pty Ltd provides services which are outside the scope of the ordinary services of a non-executive director. The Company has also entered a non-executive director letter of appointment with Mr Lekkas, however, this does not provide for any additional remuneration to that provided for in the services agreement with Dalext Pty Ltd;
- (d) services agreement with Sparke Enterprises Pty Ltd which requires that entity to provide a non-executive director to the Company for a fee of \$60,000 per annum with additional remuneration being payable if Sparke Enterprises Pty Ltd provides services which are outside the scope of the ordinary services of a non-executive director. The Company has also entered a non-executive director letter of appointment with Mr Clarke, however, this does not provide for any additional remuneration to that provided for in the services agreement with Sparke Enterprises Pty Ltd;
- (e) non-executive Director agreement with Daniel Zhang, which subject to his appointment as a Director, will initially provide for payment of fees of \$60,000 per annum. Additional remuneration may be payable if Mr Zhang provides services which are outside the scope of the ordinary services of a non-executive director;
- (f) issue of Shares and Options to Directors pursuant to offers made available to the public or existing shareholders or otherwise previously approved by Shareholders;
- (g) the provision of corporate advisory and secretarial services provided by Sparke Enterprises Pty Ltd, a related party of Michael Clarke (\$15,000 FY2015) (\$1,500 FY2016) (\$0 FY2017) (\$0 1 July 2017 – to date of Prospectus);
- (h) the provision of assistance for capital raisings, AFSL costs and further corporate support provided by Peloton Capital Pty Ltd, of which Geoff Barnes is a director (\$114,720 FY2015) (\$136,300 FY2016) (\$101,400 FY2017) (\$28,000 1 July 2017 – to date of Prospectus);
- (i) the provision of secretarial services (provided by Peloton Advisory Pty Ltd, of which Mr Geoff Barnes is a director (\$0 FY2015) (\$0 FY2016) (\$15,400 FY2017) (\$0 1 July 2017 – to date of Prospectus);
- (j) the provision of advisory on Digital Currency and blockchain technology provided by Shape Capital Pty Ltd, a related party of Anoosh Manzoori (\$15,000 FY2018);
- (k) each of the Directors (and Daniel Zhang as a proposed Director) have entered into a Deed with the Company whereby the Company has provided certain contractual rights

Prospectus

of access to books and records of the Company to those officers and to effect and maintain insurance in respect of directors and officers liability and provide certain indemnities to each of the officers, to the extent permitted by law.

The Board considers that the remuneration and benefits in (a), (b) and (e) above are reasonable remuneration pursuant to section 211 of the Corporations Act, in (c), (d), (g), (h), (i), (j) and (k) were on 'arms length' commercial terms pursuant to section 210 of the Corporations Act or in the case of (a) and (f) above have been or will be approved by Shareholders in general meeting.

9.9 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and any financial services licensee named in the Prospectus as involved in the Offers (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offers; or
- (c) the Offers under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) Offers under this Prospectus.

HopgoodGanim Lawyers are acting as solicitors to the Offers and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work (and associated matters), the Company estimates that it will pay approximately \$90,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers may be engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

9.10 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.11 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or

Prospectus

- (c) the state of affairs of the Company.

9.12 Privacy

By submitting an Application Form you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Computershare an external service provider. The Company requires Computershare to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as the payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the FGF group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Computershare, except in limited circumstances. If you wish to access, update or correct your personal information held by Computershare or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

9.13 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

HopgoodGanim Lawyers has given and has not withdrawn its written consent to be named as the solicitors to the Company in this Prospectus.

Prospectus

Computershare has given and, as at the date hereof, has not withdrawn, its written consent to being named as the Share Registrar in the form and contest in which it is named.

Computershare has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

9.14 Expenses of the offer

The total expenses of the Offers together with the expenses of the Placement and Meeting are estimated to be approximately \$147,900 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	\$
Placement costs	Nil ¹
Legal costs of the Offers, Placement and Meeting	\$ 95,000
ASX and ASIC costs	\$ 32,900
Printing, postage and share registry	\$ 20,000
Total capital raising fees	\$ 147,900
Plus GST	\$ 14,790
Total including GST	\$ 162,690

Note 1: It is anticipated that the Underwriting fee will be paid via the issue of the Underwriting Fee Shares rather than with cash on hand. However, if the Underwriting Fee Shares are unable to be issued the cash fee payable will be \$260,768.52 and the adjusted total capital raising fees (including GST) will be \$449,535.37.

Prospectus

10. Directors' Authorisation

This Prospectus is issued by First Growth Funds Limited ACN 006 648 835. Each Director and the Proposed Director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of First Growth Funds Limited by:



Michael Clarke
Non-Executive Director

Prospectus

11. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

Additional Placement means the offer and issue of the Additional Placement Shares.

Additional Placement Shares means 50,000,000 Shares at an issue price of \$0.02 to unrelated sophisticated and professional investors as announced on 28 February 2018.

Applicant means a person who submits an Application Form.

Application Form means an application form in a form accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited and the Australian Securities Exchange as the context requires.

ASX Listing Rules means the listing rules of the ASX.

BCG means Blockchain Global Limited ACN 601 628 497.

BCG Milestone Shares means up to 60,000,000 shares to be issued to BCG, details of which were set out in the Notice of Meeting for the EGM.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney.

Closing Date means the closing date for each Offer as set out in section 2, subject to variation by the Company without notice.

Company or **FGF** means First Growth Funds Limited ACN 006 648 835.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

EGM or **Meeting** means the extraordinary general meeting of Shareholder convened for 28 February 2018.

Heuresy Term Sheet means the term sheet entered by the Company and Heuresy LLC, details of which were outlined in the Company's ASX announcement of 27 November 2017.

Investors mean unrelated investors who are to be issued Placement Shares as determined by the Company and includes BCG.

Manzoori Milestone Shares means up to 60,000,000 shares to be issued to Anoosh Manzoori or his nominee, details of which were set out in the Notice of Meeting for the EGM.

Manzoori Options means 10,000,000 Options to be issued to Anoosh Manzoori following receipt of Shareholder approval at the EGM

Offer Share means one Share with an issue price of \$0.012237.

Offers means Placement Offer and the Share Offer, and **Offer** means any of them.

Prospectus

Official Quotation means official quotation on ASX.

Opening Date means the opening date for each Offer as set out in section 2, subject to variation by the Company without notice.

Option means an option to acquire a Share.

Option Offers means the Placement Option Offer.

Placement means the offer and issue of 282,257,907 Placement Shares to the Investors.

Placement Option means an option to acquire a Share on the terms and conditions set out in section 7.1 of this Prospectus.

Placement Option Offer means the offer and issue of the Placement Options the subject of this Prospectus.

Placement Shares means 282,257,907 Shares to be issued at \$0.012237 each pursuant to the Placement.

Proposed Director means Daniel Zhang.

Prospectus means this prospectus dated 28 February 2018 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

Securities has the same meaning as in section 92 of the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Share Offer means the offer of one (1) Offer Share on the terms and conditions set out in section 5.4 and 7.2 of this Prospectus.

Share Registrar or **Computershare** means Computershare Investor Services Pty Ltd.

Shareholder means a holder of a Share.

Underwriting Fee Shares means 21,309,841 Shares to be issued to BCG with a deemed issue price of \$0.012237 each in lieu of cash payment of the Underwriting Fee to BCG.

Underwriting Fee means a fee of 6% payable to BCG based on the total exercise price of the number of Underwritten Options (equal to \$260,768.52).

Underwritten Options means 50% of the Series B listed Options and Series C listed Options on issue as at 31 December 2017 (being a total of 217,307,099 Options).

US Securities Act means the US Securities Act of 1933 as amended from time to time.

Prospectus

Corporate directory

Directors	Administration and Registered Office
Mr Geoff Barnes Mr Michael Clarke Mr Athanasios (Athanasios) Lekkas Mr Anooshirvan (Anoosh) Manzoori Mr Daniel Zhang (Proposed Director)	c/- Peloton Capital Level 5 56 Pitt Street Sydney NSW 2000 Phone: +61 (0) 2 8651 7800 Facsimile: +61 (0) 2 9241 6199 Email: info@firstgrowthfunds.com Website: http://www.firstgrowthfunds.com
Share Registrar	Lawyers
Computershare Investor Services Pty Limited GPO Box 505 Melbourne VIC 3001 Phone: 1300 787 272 Website: http://www.computershare.com/au	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane Qld 4000 Phone: +61 07 3024 0000 Facsimile: +61 07 3024 0000 Website: www.hopgoodganim.com.au

Prospectus

Application Forms

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

First Growth Funds Limited

ABN

34 006 648 835

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1 fully paid ordinary share |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1 fully paid ordinary share |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	\$0.012237 for 1 Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	One share offered pursuant to a cleansing prospectus dated 28 February 2018
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	9 March 2018 (subject to an application under the cleansing prospectus dated 28 February 2018 being made and accepted by the Company)	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		1,142,391,550	Ordinary Fully Paid Shares.

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	N/A
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b) N/A

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company Secretary

Print name: Julie Edwards

Date 1 March 2018

+ See chapter 19 for defined terms.