



First Growth Funds Ltd (ASX:FGF)
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Email: info@firstgrowthfunds.com

20 June 2016

Dear Shareholder,

Invitation to Participate in Share Purchase Plan and Bonus Option Offer

The Board of Directors of First Growth Funds Limited (**FGF** or **Company**) is pleased to offer eligible shareholders with the opportunity to participate in a Share Purchase Plan (**Plan**) by subscribing for up to \$15,000 worth of new fully paid ordinary shares in the Company (**Shares**) at an issue price of AUD\$0.0066 per Share (**Issue Price**) to raise up to \$890,000. Under the Plan up to 134,848,762 new Shares will be issued, without paying brokerage or other transaction costs and without the need for FGF to issue a prospectus, under the terms and conditions (**Terms and Conditions**) enclosed with this letter.

The Plan is not underwritten however the Directors reserve the right to place any shortfall of the Plan to other potential interested investors, subject to obtaining shareholder approval which is to be sought at a general meeting to be held on 19 July 2016 (**Meeting**).

Proposed Issue of Bonus Options

The Company also offers to Shareholders who receive new Shares under the Plan one (1) new listed option to subscribe for a Share for every three (3) new Shares issued under the Plan (**Bonus Option**), with each Bonus Option exercisable at \$0.02 and expiring on 20 February 2018.

The offer of the Bonus Options is made pursuant to the bonus option prospectus dated 20 June 2016 (**Bonus Option Prospectus**). The issue of the Bonus Options is subject to obtaining shareholder approval for such issue. The Company has convened the Meeting to seek approval for, amongst other things, the issue of the Bonus Options. Accordingly, there is no guarantee that this approval will be obtained and the Bonus Options will be issued.

Shareholders Eligible to Participate in the Plan

The right to participate in the offer under the Plan is optional and is available exclusively to shareholders of FGF who are registered as holders of Shares at 7pm (AEST) on the Record Date of 18 May 2016 and whose registered address is in Australia and New Zealand (**Eligible Shareholders**).

FGF has determined that it is not practical for holders of Shares with addresses on the register in other jurisdictions to participate in the Plan.

Share Purchase Plan

The Plan is intended to raise a maximum of up to \$890,000 and entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to a maximum of \$15,000 worth of Shares at a price of \$0.0066 per Share (**Offer**).

The Board has structured the Plan to encourage our loyal, smaller shareholders to apply and increase their holding in the Company. As such the new Shares under the Plan are priced at a discount to the market price to the date of the announcement of the Plan.

As at the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.009.

The Issue Price (of \$0.0066) represents a 18.89% discount to the VWAP for the last five days on which FGF's shares traded immediately prior to the announcement of the Plan (on 19 May 2016).

The Market Price of the Company's Shares over the last five days of trading in FGF Shares prior to the announcement of the Plan is as follows:

Date	VWAP	Volume
16 May 2016	\$0.009	950,055
6 May 2016	\$0.008	6,300,000
5 May 2016	\$0.008	1,500,000
15 April 2016	\$0.010	240,950
12 April 2016	\$0.009	1,544

The Issue Price is the same price as that paid by investors who participated in the recent placement which raised approximately \$445,000 as announcement on 19 May 2016.

The Directors intend to subscribe for shares under the Plan in respect of their own shareholdings.

It is intended that funds raised by the Plan will provide FGF with additional working and investment capital and strengthen FGF's capital position. Funds will also be used to cover the costs of the re-capitalisation as announced on 19 May 2016.

An outline of the Plan is set out in this letter and full terms are set out in the enclosed Terms and Conditions. Your personalised application form in relation to the Plan (as well as the Bonus Options) (**Application Form**) and reply paid envelope are included in this package.

The Plan offer is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act. However, given that ASIC Class Order 09/425 does not provide relief for the grant of options, the Company has issued the Bonus Option Prospectus for the offer of the Bonus Options. Please refer to the enclosed Bonus Options Prospectus for further information in relation to the offer of the Bonus Options.

How much can you invest?

Eligible Shareholders may only apply for a maximum of AUD\$ 15,000 of Shares under the Plan.

When to apply

The Plan will open on **23 June 2016** and will remain open until 5.00pm (AEST) on **15 July 2016**. As soon as practicable after the close of the Offer, the Company will make an ASX announcement as to the outcome of the Plan and the number of Shares to be issued.

- **Subscription and Application Procedure:** If you would like to participate in the Offer, you can either complete the enclosed Application Form and send it together with your payment by cheque made payable to "First Growth Funds Limited" and drawn in Australian currency, to the Company's share registry:

**Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001**

so that it is received by the share registry by no later than **5pm (AEST)** on the **Closing Date of 15 July 2016**. No late applications will be accepted.

- Or, make a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding so that it is received by **5pm (AEST)** on the **Closing Date of 15 July 2016**. Please note that New

Zealand shareholders without an Australian bank account are not able to make a BPAY payment.

Under the Offer, Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable at AUD\$0.0066 per Share	Number of Shares which may be purchased	Number of Bonus Options which may be issued *
Offer A	\$15,000	2,272,727	757,575
Offer B	\$10,000	1,515,151	505,050
Offer C	\$7,500	1,136,363	378,787
Offer D	\$5,000	757,575	252,525
Offer E	\$2,000	303,030	101,010

* The issue of the Bonus Options is subject to obtaining shareholder approval at the Meeting and there is no guarantee that the approval will be obtained and that the Bonus Options will be issued.

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 5pm (AEST) on 15 July 2016**. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (i) return your Application Form and/or payment and not allot any Shares to you; or
- (ii) allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque or direct credit as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain AUD\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of AUD\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia and New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Acceptance of Risk Factors

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.009. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

The Board recommends that you obtain your own financial and taxation advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$890,000 and the maximum number of Shares may be issued pursuant to this Offer is 134,848,762. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This letter and the Terms and Conditions may not be released or distributed in any country other than Australia and New Zealand. This letter and the Terms and Conditions do not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this letter and the Terms and Conditions have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. Accordingly you must not send copies of the Plan or any other material relating to the Plan to any person in the United States or to any person who is, or is acting for the account or benefit of U.S. Persons.

Shortfall Placement

In the event that less than 134,848,762 Shares are applied for, the shortfall may be placed at the discretion of the Directors, subject to Shareholder approval to be sought at the Meeting (**Shortfall Shares**). One (1) Shortfall Bonus Option will be issued for every three (3) Shortfall Shares issued, subject to Shareholder approval to be sought at the Meeting.

Indicative Timetable*

Record Date (5.00pm AEST)	18 May 2016
Announcement Date of Plan	19 May 2016
Opening Date of Offer	23 June 2016
Closing Date of Offer	15 July 2016
Date of Meeting	19 July 2016
Issue and Allotment of Shares under the Plan and Bonus Options (subject to Shareholder approval)	25 July 2016
Dispatch date for holding statements	26 July 2016
Quotation of new Shares and Bonus Options (subject to Shareholder approval) on ASX	27 July 2016

*These dates are indicative only. The Company may vary the dates and times of the Offer without notice.

Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

If you choose not to participate in the Offer, your right to participate lapses on the Closing Date.

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company.

By applying for new Shares under the Plan and Bonus Options under the Prospectus, you agree to be bound by the enclosed Terms and Conditions, the Bonus Options Prospectus and the Company's constitution. Applications for new Shares under the Plan and Bonus Options under the Prospectus cannot be withdrawn or altered.

The Plan is governed by the law in force in New South Wales. By submitting an application for New Shares, you submit to the non-exclusive jurisdiction of the Courts of New South Wales.

To apply for new Shares under the Plan and Bonus Options under the Prospectus, please read the

enclosed documents carefully and follow the instructions on the enclosed personalised application form. You may also wish to discuss this investment with your financial advisor.

Unmarketable Parcel Sale Facility

The Company also intends to implement an unmarketable parcel sale facility, which will allow Shareholders with unmarketable parcels (ie. below a value of \$500) to sell their Shares in the Company in a cost effective and simple manner, while also assisting the Company to reduce the costs associated with servicing smaller holdings. Shareholders holding unmarketable parcels will receive a separate notice outlining this process. The relevant date for determining whether or not an unmarketable parcel is held will be after the proposed issue date under the Plan. As such, any Shares acquired by you under the Plan will be taken into consideration when determining the size of your holding.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary on (02) 8651 7806 or email info@firstgrowthfunds.com.

Yours faithfully

A handwritten signature in black ink, appearing to be 'GB', written in a cursive style.

Geoff Barnes

Chairman

FIRST GROWTH FUNDS LIMITED
ABN: 34 006 835 648

Share Purchase Plan - Terms and Conditions

This is an important document. If you have any doubts as to what you should do, please consult your stockbroker, lawyer, accountant or financial adviser.

WARNING

No action has been taken to permit the offer of new Shares under this document in any jurisdiction other than Australia and New Zealand to the extent described below.

The new Shares the subject of this Offer are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand) or the Financial Markets Conduct Act 2013. This document is not an investment statement, prospectus, or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus, or product disclosure document under New Zealand law is required to contain.

The contents of this document have not been reviewed by any regulatory authority in any jurisdiction. Please read this document carefully before you make a decision to invest. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

The purpose of the Share Purchase Plan (**the Plan**) is to offer shareholders of First Growth Funds Limited (**FGF** or **Company**) with the opportunity to subscribe for fully paid ordinary shares in the Company (**Shares**) up to a maximum value of AUD\$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at an issue price of AUD\$0.0066 per Share (**Issue Price**), without incurring brokerage or transaction costs (**Offer**).

This Offer under the Plan is made in accordance with the requirements of ASIC Class Order [CO 09/425] which grants relief from the requirement to prepare a prospectus for the offer of Shares in Australia under the Plan.

In New Zealand, the Offer of Shares under the Plan is in accordance with the *Securities Act (Overseas Companies) Exemption Notice 2013*, pursuant to which no investment statement, prospectus, or product disclosure statement is required to be prepared for this Offer.

Offer timetable*

Record Date (7.00pm AEST) The date on which FGF determines Eligible Shareholders	18 May 2016
Announcement Date of Plan	19 May 2016
Opening Date The date on which the Plan opens	23 June 2016
Closing Date The date on which the Plan closes	5:00pm (AEST) 15 July 2016
Date of Meeting	19 July 2016
Issue and Allotment Date of Shares The date on which the new Shares are allotted and any scaleback is announced	25 July 2016

Dispatch Date The date on which holding statements are sent to Shareholders	26 July 2016
Quotation of Shares on ASX The date on which the new Shares commence trading on the ASX	27 July 2016

*FGF may alter these dates in its discretion, including the Closing Date of the Offer, without notice.

The Offer will be open for a period commencing on and from (9:00am (Sydney time) on 23 June 2016 (**Opening Date**) until, subject to the discretion of the Board, 5:00pm (Sydney time) on 15 July 2016 (**Closing Date**).

The Board reserves the right to close the Offer at any time prior to the Closing Date and/or extend the Closing Date without further notification

Shareholders Eligible to Participate

Holders of Shares that are registered with an Australian or New Zealand address at 7.00pm AEST on the Record Date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, the Company has determined that it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan. Shares to be allotted under the Plan have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered, directly or indirectly, in or to persons in, the United States. The Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer.

Participation in the Plan is entirely optional and is subject to these Terms and Conditions. The offer to acquire new Shares is not a recommendation. If you are in doubt about the Plan, whether you

should participate in the Offer or how participation will affect you, you should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept this Offer. The Company also recommends that you monitor the Company's share price which can be found on the Australian Securities Exchange website (www.asx.com.au) (ASX Code: FGF).

Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan).

Under the Plan, the maximum amount which any Eligible Shareholder may subscribe for in any consecutive 12 month period is AUD\$15,000. The directors of the Company (**Directors**) may also determine in their discretion the minimum and maximum amount for participation, the number of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

If two or more persons are recorded in the register of shareholders of FGF as jointly holding Shares, they are considered to be a single registered holder for the purposes of this Plan and they are entitled to participate in the Plan in respect of that single holding only. If as joint holders, they receive more than one offer under the Plan due to multiple identical holdings, the joint holders may still only contribute a maximum of AUD\$15,000 in applying for Shares under the Offer.

Custodians, trustees and nominees

Eligible Shareholders who are Custodians may participate in the Plan on behalf of:

- (a) one or more persons that are not Custodians on whose behalf the Custodian is holding Shares; or
- (b) a person, on whose behalf, another Custodian (**Downstream Custodian**) holds beneficial interests in Shares in the Company and the Custodian holds the Shares to which those beneficial interests relate, on behalf of the Downstream Custodian or another Custodian,

(each a **Participating Beneficiary**).

If you are a Custodian holding Shares on behalf of two or more persons jointly, the joint beneficiaries will be taken to be a single Participating Beneficiary for the purposes of these Terms and Conditions.

If you are a Custodian and hold Shares on behalf of one or more Participating Beneficiaries, you may apply for up to a maximum of AUD\$15,000 worth of new Shares for each Participating Beneficiary subject to providing the Company with a Custodian Certificate (included for Custodians with these Terms and Conditions), in addition to the Application Form, certifying the following:

1. that, as at the Record Date, either or both of the following:
 - (a) you hold Shares on behalf of one or more Participating Beneficiaries;
 - (b) a Downstream Custodian holds a beneficial interest in Shares on behalf of one or more Participating Beneficiaries, and you hold the Shares on behalf of the Downstream Custodian or another Custodian,

and each Participating Beneficiary has subsequently instructed the following person to apply for new Shares on their behalf pursuant to the Plan:

- (c) where paragraph 1(a) applies, you as the Custodian; and
 - (d) where paragraph 1(b) applies, the Downstream Custodian;
2. the number of Participating Beneficiaries;
3. the name and address of each Participating Beneficiary for whom the Custodian applies for new Shares;

4. in respect of each Participating Beneficiary:
 - (a) where paragraph 1(a) applies, the number of Shares in the Company that you hold on behalf of the Participating Beneficiary; and
 - (b) where paragraph 1(b) applies, the number of Shares in the Company to which the beneficial interests relate;
5. in respect of each Participating Beneficiary,
 - (a) where paragraph 1(a) above applies, the number or dollar amount of new Shares the Participating Beneficiary has instructed you to apply for on their behalf; and
 - (b) where paragraph 1(b) applies, the number or dollar amount of new Shares the Participating Beneficiary has instructed the Downstream Custodian to apply for on their behalf;
6. that there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds AUD\$15,000:
 - (a) the new Shares applied for by you as Custodian under the Plan in accordance with the Instructions in paragraph 5; and
 - (b) any other Shares in the Company issued to you as Custodian in the 12 months prior to the date of submission of the Application Form as a result of an instruction given by them to you as Custodian or a Downstream Custodian to apply for Shares under an arrangement similar to the Plan operated by the Company;
7. that a copy of the written offer document was given to each Participating Beneficiary; and
8. where paragraph 1(b) applies, the name and address of each Custodian who holds beneficial interests in Shares held by the Custodian in relation to each Participating Beneficiary.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that covers the provision of a custodial or depositary services or covers the operation of an IDPS (as defined by ASIC Class Order CO 13/763;
 - is exempt under:
 - paragraph 7.6.01(l)(k) or 7.6.01(1)(na) of the Corporations Regulations 2001; or
 - ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 14/1001];
 - ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313] or an individual instrument of relief granted by ASIC to the person in terms similar to one of those class orders; or
 - paragraph 911A(2)(h) of the Corporations Act,
- from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary services; or
- is a trustee of a self-managed superannuation fund;
 - is a trustee of superannuation master trusts;
 - is a responsible entity of IDPS-like schemes (as defined by ASIC Class Order (CO 13/763));
 - is noted on the Company's register of members as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined in ASIC Class Order [CO 09/425], you cannot participate for beneficiaries in the manner described above.

Custodians should have received a Custodian Certificate with these Terms and Conditions. If you are a Custodian and you did not receive a Custodian Certificate or would like further information on how to apply, you should contact the Company on 02 8651 7806.

FGF reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. FGF reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Shares

The price of Shares to be issued under the Plan will be AUD\$0.0066 per Share.

As at the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.009.

Compared with the volume weighted average market price (over the last 5 days on which trading in the Company's Shares were recorded prior to the announcement of the Plan on 19 May 2016, the Issue Price represents a 18.89% discount to the volume weighted average market price over that period.

The new Shares are a speculative investment and the market price of the Shares may change between the Opening Date and the Issue Date. This means that the Issue Price you pay for the new Shares may exceed the market price of the Shares at the Issue Date. The Company does not make any assurance as to the market price of Shares and there can be no certainty that Shares in the Company will trade at or above the Issue Price following the Issue Date. Shareholders should seek their own financial advice in relation to this Offer and participation in the Plan.

Issue and Terms of Bonus Options

The offer, issue and grant of the Bonus Options are governed by the Bonus Option Prospectus.

All Shareholders who participate in the Plan shall be issued, subject to shareholder approval to be sought at the Meeting, one (1) Bonus Option for every three (3) new Shares allotted to them in accordance with the Plan. Each Bonus Option issued shall have an exercise price of \$0.02 and an expiry date of 20 February 2018. There is no guarantee that the necessary Shareholder approval will be obtained and the Bonus Options will be issued.

Applications and Application Procedure

Under the Offer, Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable at AUD\$0.0066 per Share	Number of Shares which may be purchased	Number of Bonus Options which may be issued *
Offer A	\$15,000	2,272,727	757,575
Offer B	\$10,000	1,515,151	505,050
Offer C	\$7,500	1,136,363	378,787
Offer D	\$5,000	757,575	252,525
Offer E	\$2,000	303,030	101,010

- The issue of the Bonus Options is subject to obtaining shareholder approval at the Meeting and there is no guarantee that the approval will be obtained and that the Bonus Options will be issued. Applications will not be accepted after 5.00pm AEST on the Closing Date. Over subscriptions to the Offer may be refunded without interest.

If you would like to participate in the Offer, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque made payable to "First Growth Funds Limited" and crossed Not Negotiable and drawn in Australian currency for the correct amount, to FGF's share registry:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

so that it is received by the share registry by no later than 5pm (AEST) on the Closing Date. No late applications will be accepted.

- Or, make a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding (noting the Offer is limited to AUD\$15,000 per Eligible Shareholder). If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. If you make your payment using BPAY® you do not need to return your Application Form. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

Applicants should not forward cash and direct bank transfers are not permitted. You will not be able to withdraw or revoke your application once you have submitted it.

All application money will be deposited into an account and any application money received in respect of any applications rejected by the Board under these Terms and Conditions shall be refunded by the Company without interest.

The Board reserves the right to reject any application for Shares under the Plan (in whole or in part) including (without limitation) if:

- an Application Form is not correctly completed;
- the applicant is not an Eligible Shareholder;
- the issue of those Shares would contravene any law or the ASX Listing Rules;
- the exact payment for the Shares applied for is not received;
- to accept the application in full would have the effect of exceeding the maximum offer of Shares under the Plan;

- it is not reasonably satisfied that the issue of those Shares will not result in any person receiving Shares in the Company with an application price totaling more than AUD\$15,000 as a result of:
 - shares issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or a Downstream Custodian to apply for Shares on their behalf) under the Plan; and
 - any other Shares in the Company issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or a Downstream Custodian to apply for ordinary shares in the Company on their behalf) under an arrangement similar to the Plan operated by the Company in the 12 months prior to the application,

except to the extent that the person is issued with Shares or interests as a Custodian under a custodian offer;
- the applicant is a Custodian and has failed to provide the Company with a Custodian Certificate; or
- the applicant has not otherwise complied with the Terms and Conditions.

Acknowledgement and Agreement

If you apply to participate in the Plan by completing and returning the Application Form or making payment using BPAY®:

- (a) you confirm that you are an Eligible Shareholder and represent and warrant that you are not a person to whom it would be illegal to make an offer or issue of Shares under the Plan;
- (b) you have read the Terms and Conditions in full and agree that your application is made in accordance with these Terms and Conditions;
- (c) you declare that all statements in your Application Form are true and complete and not misleading;
- (d) you accept that your application, under the Terms and Conditions (including the Application Form and Custodian Certificate), is irrevocable and unconditional (i.e. it cannot be withdrawn);
- (e) as at the Record Date, you were recorded on FGF's share register as being a registered holder of Shares and having an address in Australia or New Zealand;
- (f) you and each person for whose account or benefit you are acting is not in the United States and is not a U.S. Person, or acting for the account or benefit of a U.S. Person;
- (g) you acknowledge that the new Shares have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and the new Shares may not be offered, sold or otherwise transferred unless an exemption from the registration requirements of the U.S. Securities Act is available;
- (h) you represent that you have not, and you agree that you will not, send any materials relating to the Plan to any person in the United States or to any person who is, or is acting for the account or benefit of, a U.S. Person;

- (i) you authorise FGF (and its offers or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- (j) you acknowledge that FGF may at any time determine that your Application Form is valid, in accordance with these Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (k) you agree that where you have previously provided FGF or its share registry with bank account details, any refund to be paid to you under these Terms and Conditions may be direct credited into that nominated account;
- (l) you accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on FGF's register;
- (m) you are responsible for any dishonour fees or other costs FGF may incur in presenting a cheque for payment which is dishonoured;
- (n) you agree to be bound by the constitution of the Company (as amended and as it may be amended from time to time in the future);
- (o) you acknowledge that neither FGF nor Computershare has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy new Shares under the Plan; and
- (p) you acknowledge that FGF is not liable for any exercise of its discretions referred to in these Terms and Conditions.

If you choose not to participate in the Offer, your right to participate lapses on the Closing Date.

Certification by Eligible Shareholders (other than Custodians)

By submitting the Application Form together with a cheque, or paying by BPAY you certify that the aggregate of the application price paid by you for:

- (a) the Shares the subject of such Application Form or the BPAY payment;
- (b) any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
- (c) any other Shares issued to you, or a Custodian (as a result of an instruction given by you to the Custodian or another Custodian to apply for Shares in the Company on your behalf) under the Plan or under any similar arrangement operated by the Company in the 12 months prior to the date of submission of the Application Form or making the BPAY payment.

does not exceed AUD\$15,000 even though you may have received more than one offer under the Plan or received offers in more than one capacity under the Plan.

The AUD\$15,000 limit applies irrespective of the number of Shares you hold on the Record Date. FGF reserves the right, and in certain circumstances may be required by ASIC Class Order [CO 09/425] or other conditions, to reject any application for new Shares under the Plan to the extent it considers, or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Placement of Shortfall

In the event that not all Shares offered under the Plan are issued, the Shares not issued will comprise the shortfall (**Shortfall Shares**) and may be placed, at the discretion of the Directors, subject to Shareholder approval to be sought at the Meeting, so long as the issue of the Shortfall Shares:

- (a) satisfies section 708 of the Corporations Act;
- (b) complies with the ASX Listing Rules; and
- (c) any approval of Shareholders to the Additional Issue which is required under the Listing Rules or the Corporations Act is obtained.

Subject to Shareholder approval to be sought at the Meeting, one (1) Shortfall Bonus Option will be issued for every three (3) Shortfall Shares issued.

Issue of Shares

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the Closing Date.

The Company intends to issue the new Shares under the Plan on or about 25 July 2016 (**Issue Date**). The Company reserves the right to vary the Issue Date without further notice in the event that the Closing Date is varied pursuant to the Terms and Conditions.

In respect of application monies received from an Eligible Shareholder, the Company will, prior to the Issue Date, determine the maximum number of new Shares rounded down to the nearest whole number which may be acquired by any Eligible Shareholder.

The allocation of new Shares will be determined by the Board at its sole discretion.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in FGF from the date of issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing Shares.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. The Company will make application for those Shares to be listed for quotation on the official list of ASX. If you trade any new Shares before you receive your holding statement, then you do so at your own risk.

The Company will apply to ASX for quotation of the new Shares issued under the Plan and any Shortfall Shares (if any) within the period prescribed in the ASX Listing Rules.

Interest

No interest will be paid on any application monies under the Offer, including any application monies returned to you.

Non-residents

The right to participate in this offer under the Plan is available exclusively to persons who were registered as holders of Shares in the Company at 7.00pm (Sydney time) on the Record Date and whose registered address was in Australia or New Zealand or in another jurisdiction where, in the opinion of the Board, it is lawful and reasonably practical to extend the Offer according to the laws of that jurisdiction.

Eligible Shareholders who are not residents of Australia should consult their professional advisers as to whether any formalities need to be observed (either by them or the Company) to enable them to apply for new Shares. It is the responsibility of such Eligible Shareholders to obtain all necessary approvals so they may legally

apply for new Shares. The return of a completed Application Form and accompanying application amount, or the forwarding of payment of the application amount using BPAY from a non-resident Eligible Shareholder will be taken by the Company to constitute a representation and warranty by that Eligible Shareholder that all relevant approvals have been obtained and that the Company may legally offer the new Shares to that Eligible Shareholder.

Modification and Termination of the Plan

FGF may modify or terminate the Plan at any time. FGF will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

In addition to any rights of the Directors to reject applications as set out in these Terms and Conditions and without limiting the above, FGF may issue to any person fewer or no Shares than the person applied for under the Plan if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Raising Amount and Scale Back

The maximum number of Shares that may be issued pursuant to this Offer is 134,848,762 Shares and the maximum amount to be raised is approximately \$890,000. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan.

The Directors reserve the right to allocate fewer, or no, Shares than an Eligible Shareholder applies for under the Plan, including, without limitation, in the event that the Plan is oversubscribed at their sole discretion (**Scale Back**). If there is a Scale Back, you may receive fewer than the parcel of Shares for which you applied. If a Scale Back produces a fractional number of shares when applied to your parcel, the number of Shares you will be issued will be rounded down to the nearest whole number of Shares. In the event of a Scale Back, the difference between the application amount received by the Company and the number of Shares that will be issued to you multiplied by the issue price, will be refunded to you.

If there is a consolidation or re-organisation of the issued share capital of the Company prior to the Closing Date, the maximum number of Shares to be issued pursuant to and in accordance with the Plan shall be consolidated or re-organised (as the case may be) in the same ratio as the issued capital of the Company.

Non-renounceable Offer

The offer to acquire Shares under the Plan is non-renounceable. This means that you cannot transfer your right to purchase new Shares under the Offer to a third party.

Binding terms

By accepting the offer to purchase new Shares under the Plan, you agree to be bound by these Terms and Conditions and the constitution of FGF.

Anomalies

The Company may settle in any manner it deems appropriate, any disputes or anomalies which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any applicant or application of new Shares. The decision of the Company will be conclusive and binding on all persons to whom the determination relates.

Waiver

The Company reserves the right to waive compliance with any provision of the Plan Terms and Conditions.

Underwriting

The Offer will not be underwritten.

Brokerage and transaction costs

No brokerage or other transaction costs are payable by you for the acquisition of new Shares under the Plan. The only cost to you is the issue price of the new Shares. The Company may pay brokerage and other commissions in respect of any subscriptions procured in respect of any Shortfall Shares, as determined by the Board in its discretion.

Foreign Resident Tax Withholding

The Company warrants and declares that on the date of making this offer and on the date five days prior to issue of the new Shares under the Plan that it is a resident of Australia for Australian tax purposes and has lodged income tax returns in Australia and the value of Australian real property owned by the Company accounts for 50% or less of the Company total value. As a result, the Company and the Eligible Shareholder agree that the Withholding Component will not be retained by the Eligible Shareholder from the application monies paid pursuant to the SPP. For the purposes of this paragraph, the 'Withholding Component' means an amount equal to 10% of the application monies paid pursuant to the SPP.

Jurisdiction

These Terms and Conditions are governed by the laws in force in New South Wales. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or the Company Secretary on (02) 8651 7806.

First Growth Funds Limited

ACN 006 648 835 (Company)

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For a bonus issue of one (1) Option exercisable at \$0.02 each, expiring on 20 February 2018 (**SPP Option**) for every three (3) Shares offered to and acquired by Eligible Shareholders as part of the Share Purchase Plan (**SPP Option Offer**).

AND

For a bonus issue of one (1) Option exercisable at \$0.02 each, expiring on 20 February 2018 (**Shortfall Option**) for every three (3) Shares offered to and acquired by Investors as part of the SPP Shortfall (**Shortfall Option Offer**).

AND

For a bonus issue of one (1) Option exercisable at \$0.02 each, expiring on 20 February 2018 (**Placement Option**) for every three (3) Shares offered to and acquired by Investors as part of the Placement (**Placement Option Offer**).

AND

For the issue of 35,000,000 Options exercisable at \$0.02 each, expiring on 20 February 2018 (**Director Options**) to the Directors of the Company (or their nominees) (**Director Option Offer**).

No funds will be raised as a result of the Option Offers.

AND

For the issue of 1 Share, at an issue price of \$0.001, to raise \$0.001 (**Share Offer**).

The Offers are conditional upon the Company obtaining Shareholder approval at a shareholder meeting scheduled for 19 July 2016 for which a notice of meeting was despatched on or about 20 June 2016. Refer to section 4.2 for further details.

This Prospectus has been prepared primarily for the purposes of:

- (a) to the extent it relates to the Option Offers, to enable the Series C Options to be issued to all Eligible Shareholders who receive Shares under the SPP and to allow the Series C Options to be on-sold without disclosure and to ensure that the Shares that are issued on exercise of the Series C 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 Tranche 1 Placement Shares so as to enable the Tranche 1 Placement 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.

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Chairman's letter

Dear Shareholder

The Board of First Growth Funds Limited (**Company**) recognises, and greatly appreciates, the importance of our loyal and supportive Shareholders, and wish to reward you by creating, subject to the consent of ASX, an additional listed security referred to as 'Series C Options'. Series C Options will have an exercise price of \$0.02 each and will expire on 20 February 2018.

The Board is pleased to offer a bonus Series C Option on the basis of one (1) Option for every three (3) Shares offered to and acquired by Eligible Shareholders as part of the Share Purchase Plan (**SPP Options**). For the avoidance of doubt, the SPP Options will only be issued to those investors who participated in and were issued Shares pursuant to the Share Purchase Plan.

The Board believes that the issue of SPP Options will create goodwill in what continues to be a challenging time for the Australian market and ensure that those who have supported and who continue to support the Company, receive a benefit that could have significant value in the future for no additional cost.

The Board will also be seeking to issue any Shortfall arising from the Share Purchase Plan to unrelated parties, subject to Shareholder approval, and will offer a bonus Series C Option on the basis of one (1) Option for every three (3) Shares issued to Investors as part of the Shortfall under the Share Purchase Plan (**Shortfall Options**).

The Board was pleased to see the level of interest in its recent placement to raise approximately \$445,000 pursuant to the Tranche 1 Placement. Subject to shareholder approval and obtaining firm commitments from investors, the Company also proposes to undertake the Tranche 2 Placement to raise up to a further \$990,000. In recognition for the support shown by Investors in the Tranche 1 Placement and the Tranche 2 Placement, the Company also offers to Investors who are issued Placement Shares a bonus Series C Option on the basis of one (1) Option for every three (3) Placement Shares issued to the Investor (**Placement Options**). For the avoidance of doubt, the Placement Options will only be issued to those investors who participated in and were issued Placement Shares.

The Prospectus also contains an offer of Series C Options to Directors (or their nominees) (**Director Options**) and an Offer Share, which are subject to Shareholder approval.

The Series C Options will be issued free, so that no funds will be raised from the Option Offers, and will each have an exercise price of \$0.02 each exercisable on or before 20 February 2018.

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

The Board takes this opportunity to thank all Shareholders for their ongoing support of the Company.

Yours faithfully



Geoff Barnes
Non-Executive Chairman
First Growth Funds Limited

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1. Offer Statistics

OPTION OFFERS	
Issue Price	Nil
Exercise Price	\$0.02
Expiry Date of Series C Options	20 February 2018
Expected number of SPP Options and Shortfall Options to be issued ¹	44,949,588
Expected number of Placement Options to be issued ²	72,474,725
Expected number of Director Options to be issued	35,000,000
Number of Options on issue prior to Offer ³	272,866,800
Expected total Options on issue following the Offer ^{1, 2, 3}	425,291,113
SHARE OFFER	
Issue Price	\$0.001
Number of Offer Shares to be issued	1
Number of Shares on issue prior to Offer ³	516,920,051
Expected number of Shares on issue following the Offer ^{3, 4}	836,768,813

1 The number of SPP Options to be issued depends on the total number of Shares issued pursuant to the SPP and the Shortfall. This assumes that fractional entitlements to options are rounded down and that the maximum number of SPP Options is issued.

2 The number of Placement Options to be issued depends on the total number of Placement Shares issued. This assumes that fractional entitlements to options are rounded down and that the maximum number of Placement Options is issued.

3 This assumes that none of the Series B Options are exercised as their terms do not permit exercise at this time.

4 This assumes that the Tranche 2 Placement is completed with all Placement Shares being issued, all Director Shares are issued, which includes the Offer Share, (both of which are subject to approval at the EGM) and that the SPP is fully subscribed, but that no Options are exercised.

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2. Key Dates

Event	Date
Announcement of Offers	19 May 2016
Prospectus lodged with ASIC and ASX	20 June 2016
Offers open	23 June 2016
SPP Option Offer, Director Option Offer and Share Offer closes	15 July 2016
EGM	19 July 2016
Issue of SPP Options, Director Options, Placement Options (Tranche 1 Placement only) and Offer Share	25 July 2016
Despatch of new holding statements for SPP Options, Director Options, Placement Options (Tranche 1 Placement only) and Offer Share	26 July 2016
Trading commences for SPP Options, Director Options, Placement Options (Tranche 1 Placement only) and Offer Share	27 July 2016
Placement Option Offer and Shortfall Option Offer closes	12 September 2016
Issue of Placement Options (Tranche 2 Placement only) and Shortfall Options	14 September 2016
Despatch of new holding statements for Placement Options (Tranche 2 Placement only) and Shortfall Options	15 September 2016
Trading commences for Placement Options (Tranche 2 Placement only) and Shortfall Options	16 September 2016

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.

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3. Important information

3.1 General

This Prospectus is dated 20 June 2016 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 Series C 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 Share Offer is only available to the person (being a Director or their nominee) 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.

The Option Offers are only available to those persons who are issued Placement Shares, Shares pursuant to the SPP or the SPP Shortfall or Directors (or their nominees). Applications for Series C Options 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 Series C 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 Series C 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 and New Zealand, in which Shareholders may reside. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand 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 Series C 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 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong,

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nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Series C Options and the Offer Share have not been, and will not be, offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO) or pursuant to an offer made available in Hong Kong to less than 50 investors.

No advertisement, invitation or document relating to the Series C Options or the Offer Share has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Series C Options or the Offer Share that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Series C Options or the Offer Share may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

3.4 New Zealand

The Series C Options and the Offer Share are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* *Financial Markets Conduct Act 2013* (New Zealand) or *Financial Markets Conduct Act 2013*. This document is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

3.5 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 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.

3.6 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 0 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 Series C 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 Series C Options and the Offer Share pursuant to this Prospectus.

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3.7 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 Series C Options or the 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.

3.8 Glossary

Certain terms used in this Prospectus are defined in the Glossary in Section 10 of this Prospectus. Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

3.9 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 0 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 Series C Options or the Offer Share offered under this Prospectus or the Shares or any return on any investment made pursuant to this Prospectus.

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4. Details of the Offers and the Prospectus

4.1 Background

As announced on 19 May 2016, the Company is undertaking a re-capitalisation process which involves:

- (a) the Tranche 1 Placement which has been completed and raised approximately \$445,000;
- (b) the Tranche 2 Placement which will raise up to approximately \$990,000, subject to shareholder approval; and
- (c) the Share Purchase Plan which will raise up to approximately \$890,000.

The above process involves the issue of new Shares at \$0.0066 each and, subject to Shareholder approval, it is also proposed that bonus Series C Options will be issued on the basis of one bonus Option for every three new Shares issued as part of the Re-capitalisation Process. The Series C Options will be a new class of Option which are exercisable at \$0.02 each, expire on 20 February 2018 and are otherwise on the terms set out in section 6.1. It is intended that the Series C Options will be listed.

The Company is pleased to have offered existing Shareholders the opportunity to participate in the re-capitalisation under the SPP (this offer is made pursuant to the SPP Terms and Conditions dated 20 June 2016 and is not made under this Prospectus). In addition, the Company is pleased to offer Eligible Shareholders who receive Shares under the SPP, subject to Shareholder approval, one (1) bonus Series C Option for every three (3) Shares issued under the SPP (**SPP Option Offer**).

The Company will also be seeking to issue any Shortfall arising from the SPP to unrelated parties, subject to Shareholder approval, and will offer one (1) bonus Series C Option for every three (3) issued to Investors as part of the Shortfall under the SPP (**Shortfall Option Offer**).

Further, in recognition for the support shown by Investors in the Tranche 1 Placement and the Tranche 2 Placement, the Company also offers to Investors who are issued Placement Shares, subject to Shareholder approval, one (1) bonus Series C Option for every three (3) Placement Shares issued to Investors (**Placement Option Offer**).

The Company also proposes, subject to Shareholder approval, to issue up to 35,000,000 Series C Options to the Directors or their nominees (**Director Option Offer**). In conjunction with this, the Company also proposes, subject to Shareholder approval, to issue up to 35,000,000 Director Shares to the Directors or their nominees. The issue of one Director Share (referred to as the Offer Share) is the subject of the Share Offer (**Share Offer**), for the purposes set out in section 4.3 below.

4.2 Conditional Offers

The Offers are each conditional on the Company obtaining Shareholder approval for the grant of the respective Series C Options. The Company has scheduled the Meeting for 19 July 2016 to obtain these approvals. If Shareholder approval is not obtained in relation to particular Series C Options, those Options will not be issued under this Prospectus.

4.3 Purpose of the Prospectus

This Prospectus has been prepared primarily for the purposes of:

- (a) to the extent it relates to the Option Offers, to enable the Series C Options to be issued to all Eligible Shareholders who receive Shares under the SPP and to allow the Series C Options to be on-sold without disclosure and to ensure that the Shares that are

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issued on exercise of the Series C 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 Tranche 1 Placement Shares so as to enable the Tranche 1 Placement Shares to be on-sold in Australia without trading restrictions, pursuant to section 708A(11) of the Corporations Act.

The issue of the Tranche 1 Placement Shares was 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.

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 Tranche 1 Placement Shares, if they choose to, can sell the Tranche 1 Placement Shares within the next twelve months without the issue of a prospectus. The issue of the Tranche 1 Placement Shares has not been undertaken by the Company with the purpose of the recipients selling or transferring the Tranche 1 Placement Shares. However, the Directors consider that the recipients of the Tranche 1 Placement Shares should be able to sell the Tranche 1 Placement Shares should they wish to do so, without being required to issue a prospectus.

4.4 The Offers

The following Offers are being made pursuant to this Prospectus:

SPP Option Offer

An offer of up to 44,949,588 Series C Options to Eligible Shareholders on the basis of one (1) Series C Option for every three (3) Shares issued pursuant to the SPP, to be issued for nil consideration.

Shortfall Option Offer

An offer of up to 44,949,588 Series C Options to Investors on the basis of one (1) Series C Option for every three (3) Shares issued as part of any Shortfall pursuant to the SPP, to be

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issued for nil consideration. The number of Shortfall Options ultimately offered will be determined by the level of Shortfall under the SPP. If there is no Shortfall under the SPP, no Shortfall Options will be offered to Investors.

Placement Option Offer

An offer of up to 72,474,725 Series C Options to Investors on the basis of one (1) Series C Option for every three (3) Shares issued as part of the Tranche 1 Placement and the Tranche 2 Placement, to be issued for nil consideration. The number of Placement Options ultimately offered will be determined by the number of Placement Shares issued, however, based on the number of Placement Shares issued pursuant to the Tranche 1 Placement, the minimum number of Placement Options that will be offered will be 22,474,725.

Director Option Offer

An offer of up to 35,000,000 Series C Options to the Directors or their nominees, to be issued for nil consideration.

Fractional entitlements will be rounded down to the nearest whole number.

No funds will be raised as a result of the Option Offers.

As at the date of this Prospectus the Company only has Series B Options on issue, which have different terms to the Series C Options. As such, the Series C Options will form a new class of securities which, subject to compliance with ASX requirements, will be listed on ASX.

All of the Series C Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Series C Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

Share Offer

An offer of one (1) Offer Share to the person (being a Director or their nominee) who is personally invited by the Company to accept the Share Offer. The Offer Share forms part of the Director Shares proposed to be issued, subject to Shareholder approval. The issue of the Offer Share will raise \$0.001.

The Offer Share will be issued on the terms and conditions set out in section 6.2 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.

4.5 How to Apply

Shareholders who apply for Shares under the SPP, should ensure that they also apply for SPP Options and lodge their Application Form by the Closing Date for the SPP Option Offer, **5.00pm (EST) on 15 July 2016**.

The completed Application Form for the SPP and the SPP Option Offer must be mailed or delivered to the share registry at the below address:

**Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001**

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Shareholders who apply for Shares under the SPP by making a BPAY® payment using the Biller Code and Reference Number shown on their Application Form, will be deemed to have also applied for the relevant number of SPP Options. Accordingly, Shareholders who wish to apply for Shares under the SPP and SPP Options under the Prospectus should make their BPAY® payment so that it is received by **5pm (AEST) on 15 July 2016**. Please note that New Zealand shareholders without an Australian bank account are not able to make a BPAY payment.

Investors who wish to apply for Shortfall Options must lodge their Application Form by the Closing Date for the Shortfall Option Offer, **5.00pm (AEST) on 12 September 2016**. Investors who wish to apply for Placement Options must lodge their Application Form by the Closing Date for the Placement Option Offer, **5.00pm (AEST) on 12 September 2016**.

Directors (or their nominees) who wish to apply for Director Options must lodge their Application Form by the Closing Date for the Director Option Offer, **5.00pm (AEST) 15 July 2016**.

Directors (or their nominees) who wish to apply for the Offer Share must lodge their Application Form by the Closing Date for the Share Offer, **5.00pm (AEST) 15 July 2016**.

Completed Application Forms for Shortfall Options, Placement Options, Director Options and 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.

4.6 Issue

Series C 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 Series C Options and the Offer Share issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out in Section 0 of this Prospectus and in any event, as soon as practicable after their issue.

4.7 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.

4.8 Minimum subscription

There is no minimum subscription under the Offers.

4.9 ASX listing

Application for Official Quotation of the Series C Options and the Offer Share offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement

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of this Prospectus. If ASX does not grant Official Quotation of the Series C Options and 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 any Series C Options or the Offer Share.

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

4.10 No underwriting

The Offers are not underwritten.

4.11 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 Series C 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.

4.12 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the SPP Option Offer is available only to Eligible Shareholders. Accordingly, only nominees and custodians with registered addresses in Australia or New Zealand who receive Shares pursuant to the SPP will be entitled to participate in the SPP Option Offer.

The Company takes no responsibility for advising on the securities laws of any jurisdiction, or the legality of providing the Offers to any person for whom nominees and custodians may hold shares in the Company beneficially or those persons acquiring a beneficial interest in Series C Options as a result of the Offers. Nominees and custodians will need to assess whether the participation (whether direct or indirect) of a beneficiary is compatible with applicable foreign laws.

4.13 Enquiries

If you are an Eligible Shareholder and have any questions in relation to the SPP Offer, 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 2 8651 7800

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5. Purpose and effect of the Offers

5.1 Purpose of the Offers

The purpose of the SPP Option Offer, Shortfall Option Offer and Placement Option Offer is to reward Shareholders and Investors for their support of the Company. The Director Options are to form part of the remuneration for each of the current Directors and will assist in aligning the performance of the Directors with the performance of the Company.

The issue of the Series C Options will also provide the Company with a potential source of additional capital if the Series C Options are exercised. No funds will be raised through the issue of the Series C Options pursuant to this Prospectus, however if all the Series C Options are exercised, the Company will receive approximately \$3,048,486. Any funds raised upon the exercise of any of the Series C 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 Tranche 1 Placement Shares as set out in section 4.3 above.

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Series C Options offered under the Prospectus are issued, will be to introduce a new class of listed securities, being up to 152,424,313 new Series C Options and to issue one new Share.

5.3 Effect on Balance Sheet

The Series C Options to be issued pursuant to this Prospectus will be issued for nil consideration and the Offer Share will be issued for \$0.001. Accordingly, there will be no immediate effect on the Company's balance sheet, other than a decrease in cash reserves of approximately \$187,428 being the estimated costs of the Offers as set out in section 8.14. Capital will be raised if the Series C Options are exercised, being an amount of \$0.02 per Series C 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 Series C Options will be exercised (which is dependent on the market price of Shares from time to time until the Series C Options expire).

The Company's Annual Report for the financial year ended 30 June 2015, was released to ASX on 17 September 2015. The Annual Report can be viewed at www.firstgrowthfunds.com and at www.asx.com.au.

The Company's Interim Financial Report for the financial half year ended 31 December 2015, was released to ASX on 26 February 2016. These financial statements 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 28 April 2016. These reports can be reviewed at www.firstgrowthfunds.com and at www.asx.com.au.

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.

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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 5.3 to 5.6 has been provided for investors to gain an indication of the effect of the Offers (and associated Re-capitalisation Process which includes the issue of the Placement Shares (pursuant to the Tranche 1 Placement and the Tranche 2 Placement), the issue of Shares under the SPP and the issue of the Director Shares) 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.

5.4 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 2015; 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 the period ended 31 December 2015.

5.5 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 2015 based on completion of the Offers (and the associated Re-capitalisation Process); 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 2015 adjusted for the following transactions as if they had occurred at 31 December 2015 (pro-forma transactions):

- (a) the issue of 67,424,175 Tranche 1 Placement Shares on 31 May 2016 at an issue price of \$0.0066 per Share which raised \$445,000 before expenses;
- (b) the issue of 150,000,000 Placement Shares pursuant to the Tranche 2 Placement at an issue price of \$0.0066 per Share to raise \$990,000 before expenses. This assumes the maximum number of Placement Shares under the Tranche 2 Placement are issued. The issue of these Shares is subject to binding commitments being entered with investors to subscribe for the Placement Shares under the Tranche 2 Placement and Shareholder approval being obtained;
- (c) the issue of 134,848,762 Shares being issued pursuant to the SPP at an issue price of \$0.0066 per Share to raise \$890,000 before expenses. All Shares issued pursuant to this Prospectus will be issued as fully paid. This assumes the maximum number of Shares are issued under the SPP;
- (d) the issue of 35,000,000 Director Shares at an issue price of \$0.001 per Share to raise \$35,000 before expenses. This assumes the maximum number of Director Shares are issued. The issue of these Shares is subject to Shareholder approval being obtained. This includes the Offer Share which has an issue price of \$0.001;

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- (e) the issue of the following Series C Options, subject to Shareholder approval being obtained:
- (1) 44,949,588 SPP Options (assuming the SPP is fully subscribed);
 - (2) 72,474,725 Placement Options (assuming all Placement Shares are issued); and
 - (3) 35,000,000 Director Incentive Options;
- (f) the payment of the following legal and other costs associated with the Offer remain unpaid:

	Minimum Subscription
	\$
Placement costs	100,00
Legal costs of the Offer	35,000
ASX and ASIC costs	20,389
Printing, postage and share registry	15,000
Total capital raising fees	170,389
Plus GST	17,039
Total including GST	187,428

Note: This includes all costs directly associated with the Offers and associated Re-capitalisation Process (as a reduction in shareholder capital); and

- (g) GST payable associated with the Offer (assuming the maximum subscription is issued) is approximately \$17,039.

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 2015 based on completion of the Offers (and the associated Re-capitalisation Process) and assuming exercise of all Series C 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 2015 adjusted for the following transactions as if they had occurred at 31 December 2015 (pro-forma transactions):

- (a) items 5.5(a) – 5.5(g) above have occurred; and
- (b) the exercise of the following Series C Options:
 - (1) 44,949,588 SPP Options (assuming the SPP is fully subscribed);
 - (2) 72,474,725 Placement Options (assuming all Placement Shares are issued); and
 - (3) 35,000,000 Director Incentive Options,

which would raise \$3,048,486.26.

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5.6 Historical and Pro-forma Consolidated Statements of Financial Position

		Historical Reviewed Balance Sheet	Pro-forma A Adjustments (includes proceeds from Placement (Tranche 1 & 2), SPP and Director Incentive Shares)	Pro-forma A Balance Sheet (includes proceeds from Placement (Tranche 1 & 2), SPP and Director Incentive Shares)	Pro-forma B Adjustment (Proforma A Balance Sheet plus proceeds from exercise of all Series C Options)	Pro-forma B Balance Sheet (Proforma A Balance Sheet plus proceeds from exercise of all Series C Options)
		31-Dec-15		31-Dec-15		31-Dec-15
		\$		\$		\$
ASSETS						
Current assets						
Cash and cash equivalents	8.1	317,053	2,172,572	2,489,625	3,048,486	5,538,111
Trade and other receivables		164,000		164,000		164,000
Deposits for trading investments		25,000		25,000		25,000
Trading Investments		418,405		418,405		418,405
Total current assets		924,458	2,172,572	3,097,030	3,048,486	6,145,516
Non-current assets						
		0				0
TOTAL ASSETS		924,458	2,172,572	3,097,030	3,048,486	6,145,516
LIABILITIES						
Current liabilities						
Trade and other payables		157,529		157,529		157,529
Total current liabilities		157,529		157,529		157,529
TOTAL LIABILITIES		157,529		157,529		157,529
NET ASSETS		766,929		2,939,501		5,987,987

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EQUITY

Issued capital	8.2	54,362,039	2,172,572	56,534,611	3,048,486	59,583,097
Reserves		296,347		296,347		296,347
Accumulated losses		(53,891,457)		(53,891,457)		(53,891,457)
		766,929	2,172,572	2,939,501	3,048,486	5,987,987

TOTAL EQUITY

Note 1 - Cash and Cash Equivalents

	Pro-forma A Adjustments	Pro-forma B Adjustments
	\$	\$
Cash and cash equivalents at 31.12.2015	317,053	317,053
Proceeds from issue of Shares under the SPP	890,000	890,000
Proceeds from issue of Placement Shares (Tranche 1 Placement)	445,000	445,000
Proceeds from issue of Placement Shares (Tranche 2 Placement)	990,000	990,000
Proceeds from issue of Director Incentive Shares	35,000	35,000
Proceeds from exercise of all Series C Options		3,048,486
Payment of Capital Raising fees	(170,389)	(170,389)
GST	(17,039)	(17,039)
Pro-forma cash and cash equivalents	2,489,625	5,538,111

Note 2 Issued Share Capital (excluding exercise of Series C Options) – Proforma A

	No of Shares	\$
<i>Assumes Maximum Subscription</i>		
Shares issued as at 31 December 2015	446,444,834	54,362,039
Shares issued under SPP	134,848,485	890,000
Placement Shares pursuant to Tranche 1 Placement	67,424,175	445,000
Placement Shares pursuant to Tranche 2 Placement	150,000,000	990,000
Director Incentive Shares	35,000,000	35,000
Capital Raising fees		(170,389)
GST		(17,039)
Pro-forma issued capital	833,717,494	56,534,611

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Note 2 Issued Share Capital (including exercise of Series C Options) – Proforma B

	No of Shares	\$
<i>Assumes Maximum Subscription</i>		
Shares issued as at 31 December 2015	446,444,834	54,362,039
Shares issued under SPP	134,848,485	890,000
Placement Shares pursuant to Tranche 1 Placement	67,424,175	445,000
Placement Shares pursuant to Tranche 2 Placement	150,000,000	990,000
Shares issued on exercise of all Series C Options	152,424,313	3,048,486
Director Incentive Shares	35,000,000	35,000
Capital Raising fees		(170,389)
GST		(17,039)
Pro-forma issued capital	986,141,807	59,583,097

5.7 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Series C Options offered under the Prospectus are issued and the SPP and Tranche 2 Placement are fully subscribed and the Director Shares (which includes the Offer Share) are issued, is set out below:

Shares

	Number	% interest in share capital
Shares currently on issue (including Tranche 1 Placement Shares)	516,920,051	61.78%
Shares offered pursuant to the SPP and Shortfall Shares ¹	134,848,762	16.12%
Shares offered pursuant to the Tranche 2 Placement ²	150,000,000	17.94%
Shares issued to Directors (Director Shares, which includes the Offer Share) ³	35,000,000	4.18%
Total Shares on issue after completion of the above⁴	836,768,813	100%

1 This assumes that the maximum number of SPP Shares are issued.

2 This assumes that the maximum number of Placement Shares are issued, of which the Placement Shares forming part of the Tranche 2 Placement are subject to Shareholder approval.

3 This assumes that the maximum number of Director Shares are issued, which is subject to Shareholder approval.

4 This assumes that none of the Series B Options are exercised as their terms do not permit exercise at this time.

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Options

	Number	% interest in Options
Options currently on issue	272,866,800	64.16%
Expected number of SPP Options and Shortfall Options to be issued ¹	44,949,588	10.57%
Expected number of Placement Options to be issued ²	72,474,725	17.04%
Expected number of Director Options to be issued (Director Options) ³	35,000,000	8.23%
Total Options on issue after completion of the above⁴	425,291,113	100%

1 The number of SPP Options to be issued depends on the total number of Shares issued pursuant to the SPP and the Shortfall. This assumes that fractional entitlements to Options are rounded down and that the maximum number of SPP Options is issued.

2 This assumes that the maximum number of Placement Shares and Placement Options are issued, of which the Placement Shares and Placement Options forming part of the Tranche 2 Placement are subject to Shareholder approval. This assumes that fractional entitlements to options are rounded down and that the maximum number of Placement Options is issued.

3 This assumes that the maximum number of Director Options are issued, which is subject to Shareholder approval.

4 This assumes that none of the Series B Options are exercised as their terms do not permit exercise at this time.

The capital structure on a fully diluted basis:

- (a) as at the date of this Prospectus is 789,786,851 Shares; and
- (b) on completion of the Offers (assuming the SPP and Tranche 2 Placement are fully subscribed and all Director Shares (which includes the Offer Share) and Director Options are issued) would be 1,262,059,926 Shares.

5.8 Series B Options

The Series B Options are not presently exercisable. As such, holders of Series B Options need not take any steps in respect of the Offers in their capacity as holders of Series B Options. There will be no adjustment to the terms of the Series B Options as a result of the Offers.

5.9 Effect on control

The issue of the Series C 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 5.10. If these Shareholders are eligible to receive Series C Options and subsequently chose to exercise the Series C Options issued to them, it may affect their overall percentage shareholding. While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they participate in the Offers and subsequently exercise the Series C Options, subject to any significant uptake by an investor resulting from the allocation of any Shortfall under the SPP or Placement Shares under the Tranche 2 Placement, the Company expects that the potential effect of the issue of Series C Options on the control of the Company will be minimal.

5.10 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.

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Details of persons holding a relevant interest in more than 5% of the Company's Shares as at 17 June 2016 are as follows:

Shareholder	Relevant Interest in Shares	% issued capital	Number of Series B Options held	Relevant Interest in Shares if all Series B Options held were exercised
GEBA PTY LTD <GEBA FAMILY A/C>	70,000,000	13.54	33,400,000	103,400,000
SAYERS INVESTMENTS (ACT) PTY LIMITED <THE SAYERS INVEST NO 2 A/C>	45,000,000	8.71	33,000,000	78,000,000
AS & JR LIBBIS PTY LIMITED <LIBBIS FAMILY A/C>	26,250,000	5.08	11,000,000	37,250,000

The above substantial holders may participate in the SPP. If they each participated in the SPP to the maximum extent (\$15,000), subject to Shareholder approval being obtained, they would each be issued 757,575 SPP Options. None of the above substantial shareholders participated in the Tranche 1 Placement and as such they will not receive any Placement Options in respect of the Tranche 1 Placement. In the event that any of the substantial holders above were to participate in the Tranche 2 Placement (noting that as at the date of this Prospectus, the Company has not entered any binding commitments with any of the above substantial holders to participate in the Tranche 2 Placement), this would impact the number of Shares held by them and would result in them receiving Placement Options in respect of the Tranche 2 Placement (on a 1 for 3 basis) which may be converted into Shares. However, any issue of Shares to the above substantial holders may only be undertaken if it is in compliance with the takeover restrictions in Chapter 6 of the Corporations Act.

The top 20 Shareholders of the Company as at 17 June 2016 are as follows:

Shareholder	Shares	% issued capital
GEBA PTY LTD <GEBA FAMILY A/C>	70,000,000	13.54
SAYERS INVESTMENTS (ACT) PTY LIMITED <THE SAYERS INVEST NO 2 A/C>	45,000,000	8.71
AS & JR LIBBIS PTY LIMITED <LIBBIS FAMILY A/C>	26,250,000	5.08
EKE HOLDINGS PTY LTD	21,999,998	4.26
LITTLE BREAKAWAY PTY LTD	19,950,000	3.86
ETHAN ALLEN INVESTMENTS PTY LTD <ETHAN ALLEN INVEST UNIT A/C>	17,828,786	3.45
GXB PTY LTD	15,000,000	2.90
VICEX HOLDINGS PROPRIETARY LIMITED <VICEX SUPER A/C>	15,000,000	2.90
MUNGALA INVESTMENTS PTY LTD	13,692,865	2.65
BENEFICO PTY LTD	13,636,364	2.64
CALABRIA ENTERPRISES PTY LTD	12,933,362	2.50

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Shareholder	Shares	% issued capital
KORE CAPITAL PTY LTD	12,600,554	2.44
NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INV S/F TOL ALL A/C>	10,714,950	2.07
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	10,221,889	1.98
NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INV S/F TOL LTC A/C>	10,121,000	1.96
THEO CHRISTAKOS + ARGYRIOS CHRISTAKOS	10,000,000	1.93
SEREC PTY LTD	8,970,000	1.74
ALASTAIR R BROWN PTY LTD	8,880,000	1.72
NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD <NOBLE INV S/F CFL2 MKT A/C>	8,033,000	1.55
KABILA INVESTMENTS PTY LIMITED	7,025,038	1.36
TOTAL	357,857,806	69.23

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

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6. Rights and liabilities attaching to securities

6.1 Series C Option terms and conditions

- (a) The Options shall be issued for no cash consideration;
- (b) The exercise price of each Option is \$0.02 (**Exercise Price**);
- (c) The Options will expire on 20 February 2018 (**Expiry Date**) 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:

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

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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 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.

6.2 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 Series C 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.

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(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

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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 by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(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.

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7. Risk factors

7.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the Series C 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 Series C 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 Series C Options during the term of the Series C Options and as such is unlikely to exercise the Series C Options;
- (c) the price at which the holder is able to sell the new Shares issued on exercise of the Series C 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.

In the event of insolvency, the holders of Options or Shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for Series C 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 Series C Options or the Offer Share offered under this Prospectus are set out in this section. 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 Series C Options or the Offer Share offered under this Prospectus and the value of Shares.

7.2 General Risks

The Series C 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 a listed investment company and as such is considered highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

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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 Series C 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 Series C 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) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all market prices.

(d) Legislative change and Government Policy

The Company is not aware of any current or proposed material changes in relevant regulations or policy in Australia or in any other markets in which the Company may do or intend to do business. However, 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.

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.

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(e) 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.

(f) 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.

(g) Dilution Risk

The Company currently has on issue 516,920,051 Shares and 272,866,800 Series B Options on issue. The Company proposes to issue the following additional securities:

- (1) up to 134,848,762 Shares pursuant to the SPP and the Shortfall;
- (2) up to 150,000,000 Placement Shares (as part of the Tranche 2 Placement);
- (3) up to 35,000,000 Director Options;
- (4) up to 44,949,588 SPP Options;
- (5) up to 72,474,725 Placement Options; and
- (6) up to 35,000,000 Director Options.

All of the above proposed issues, under than under the SPP, are subject to Shareholder approval to be sought at the EGM.

Assuming all of the above securities are issued:

- (1) the existing Shares on issue as at the date of this Prospectus will represent 61.78% of the total Shares on issue;
- (2) the existing Options on issue as at the date of this Prospectus will represent 64.16% of the total Options issue; and

If subsequently all Options are exercised, the interests of the existing Shareholders in the Company will reduce to 40.96%.

There is also a risk that the interests of Shareholders will be further diluted as a result of any future capital raisings.

(h) Share Liquidity

The Series C Options will be a new class of listed security. There is no guarantee that an active market in the Series C Options will develop or that the price of Series C Options will increase. Likewise, there is no guarantee that there will be an active market in the Shares or that the price of Shares will increase.

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(i) 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.

(j) 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.

7.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 7.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to 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 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,

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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 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. Lack of Executive Management

The Company's management currently consists of three non-executive directors. 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.

(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 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.

(d) 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.

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(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

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.

(j) 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.

(k) Asset Liquidity

As at the date of this Prospectus, the majority of the Company's investment portfolio is traded on listed public exchanges and in active markets. 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

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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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) Cash flows

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

- (1) purchase and sale of securities; 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

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may result in the poor performance of the Company's investments, and insufficient returns to pay dividends to Shareholders.

(q) 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.

(r) 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.

7.4 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 Series C Options offered under this Prospectus. To that extent the Shares and Series C 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 Series C 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 Series C Options pursuant to this Prospectus.

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8. Additional information

8.1 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 Offer on the Company and the rights and liabilities attaching to the Options and Shares to be issued on exercise of the 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 2015;
- (b) reviewed half-yearly financial statements for the Company for the period ending 31 December 2015; 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 2015 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
17/09/2015	2015 Annual Report
17/09/2015	2015 Appendix 4G and Corporate Governance Statement
02/10/2015	Trading Halt
02/10/2015	Trading Halt Request
06/10/2015	First Growth Funds to acquire Public-Democracy Pty Ltd
12/10/2015	Market Update

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Date	Description of Announcement
12/10/2015	Public Democracy Presentation
26/10/2015	Notice of 2015 Annual General Meeting
26/10/2015	2015 AGM Proxy Form
27/10/2015	Quarterly Activities and Cashflow Report
17/11/2015	Public-Democracy Pty Ltd Transaction Update
24/11/2015	Results of 2015 Annual General Meeting
23/12/2015	Market Update
28/01/2016	Quarterly Activities and Cashflow report
28/01/2016	Option Exercise Notice
08/02/2016	Trading Halt
10/02/2016	Public Democracy Transaction Update
23/02/2016	Appendix 3B
26/02/2016	Appendix 4D
26/02/2016	Interim Financial Report 31 December 2015
28/04/2016	Quarterly Activities and Cashflow report
17/05/2016	Trading Halt
19/05/2016	Capital Raising Announcement
02/06/2016	Appendix 3B

8.2 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 Series C Options and Shares and which information would be reasonable for investors and their professional advisers to expect to find in this Prospectus.

8.3 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	\$0.011	15/04/2016
Lowest	\$0.007	24/05/2016
Last	\$0.008	17/06/2016

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8.4 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.

8.5 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.

8.6 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:

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

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 Offer, is set out in Attachment 1.

Remuneration

Each of the current Directors 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

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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 2014	Financial Year ending 30 June 2015	To date in this Financial Year
Geoff Barnes	-	\$10,000	\$50,000
Athan Lekkas	-	\$10,000	\$50,000
Michael Clarke	-	\$25,000	\$50,000

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

Each of the Directors currently receives remuneration of \$60,000 per annum from the Company for his services as a Director.

8.7 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.

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) non-executive Director agreements with each of Mr Geoff Barnes, Mr Athan Lekkas and Mr Michael Clarke which currently provide for payment of fees of \$60,000 per annum;
- (b) proposed issue of the following Shares and Options to Directors to be approved at the Meeting:
 - (1) up to 19,393,939 Shares (raising up to \$128,000) and up to 6,464,646 Options to Michael Clarke (or his nominees) (Resolution 6);
 - (2) up to 19,393,939 Shares (raising up to \$128,000) and up to 6,464,646 Options to Athan Lekkas (or his nominees) (Resolution 7);

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- (3) up to 19,393,939 Shares (raising up to \$128,000) and up to 6,464,646 Options to Geoff Barnes (or his nominees) (Resolution 8).
- (4) up to 5,000,000 Shares (raising up to \$5,000) and 5,000,000 Options to Mr Michael Clarke (or his nominees) (Resolution 9);
- (5) up to 15,000,000 Shares (raising up to \$15,000) and 15,000,000 Options to Mr Athan Lekkas or (his nominees) (Resolution 10);
- (6) up to 15,000,000 Shares (raising up to \$15,000) and 15,000,000 Options to Mr Geoff Barnes (or his nominees) (Resolution 11).
- (c) issue of Shares and Options to Directors pursuant to offers made available to the public or existing shareholders, including pursuant to the SPP.
- (d) the provision of printing and mailing services (provided by Retailink Pty Ltd, a related party of Joe Calabria, a previous director of the Company (\$23,912 FY2015);
- (e) the provision of corporate advisory and secretarial services (provided by Sparke Enterprises Pty Ltd, a related party of Michael Clarke (\$15,000 FY2015) (\$1,650 1 July 2015 – to date of Prospectus);
- (f) the provision of accounting, IPO and consulting services (provided by Peloton Advisory Pty Ltd, of which Mr Geoff Barnes is a director (\$114,720 FY2015) (\$118,000 1 July 2015 – to date of Prospectus).

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

8.8 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

Prospectus

not make any statement in this Prospectus. In respect of this work (and associated matters), the Company estimates that it will pay approximately \$35,000 (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.

8.9 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.

8.10 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
- (c) the state of affairs of the Company.

8.11 Foreign Resident Tax Withholding

The Company warrants and declares that on the date of making this offer and on the date five days prior to issue of any Series C Option or the Offer Share and exercise of any Series C Options that it is a resident of Australia for Australian tax purposes and has lodged income tax returns in Australia and the value of Australian real property owned by the Company accounts for 50% or less of the Company total value. As a result, the Company and each applicant agree that the Withholding Component will not be retained by the applicant in respect of the application for Series C Options or the Offer Share or on exercise of the Series C Options. For the purposes of this paragraph, the 'Withholding Component' means an amount equal to 10% of the application monies paid pursuant to the Offer.

8.12 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 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;

Prospectus

- (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 Investor Services Pty Limited, 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.

8.13 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.

Computershare has given and has not withdrawn its written consent to being named as the share registry to the Company in this Prospectus.

8.14 Expenses of the offer

The total expenses of the Offers together with the expenses of the SPP and Meeting are estimated to be approximately \$170,389 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Minimum Subscription
	\$
Placement costs	100,00
Legal costs of the Offer	35,000
ASX and ASIC costs	20,389
Printing, postage and share registry	15,000
Total capital raising fees	170,389
Plus GST	17,039
Total including GST	187,428

Prospectus

9. Directors' Authorisation

This Prospectus is issued by First Growth Funds Limited. Each 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:

A handwritten signature in black ink, appearing to be 'GB', written in a cursive style.

Geoff Barnes
Non-Executive Chairman

Prospectus

10. Glossary

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

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.

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 0, subject to variation by the Company without notice.

Company 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.

Director Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

Director Option Offer means the non-renounceable issue of the Director Options the subject of this Prospectus.

Director Shares means up to 35,000,000 Shares to be issued to Directors, subject to Shareholder approval to be sought at the Meeting, at an issue price of \$0.001 per Share.

EGM or **Meeting** means the extraordinary general meeting of Shareholder convened for 19 July 2016.

Eligible Shareholder means a Shareholder that participated in, and was issued Shares pursuant to, the Share Purchase Plan.

Investors mean investors who are issued Placement Shares or Shortfall Shares.

Offer Share means one (1) Director Share;

Offers means the SPP Option Offer, the Shortfall Option Offer, the Placement Option Offer, the Director Option Offer, the Share Offer and Offer means any of them.

Official Quotation means official quotation on ASX.

Opening Date means the opening date for each Offer as set out in section 0, subject to variation by the Company without notice.

Option means an option to acquire a Share.

Prospectus

Option Offers means the SPP Option Offer, the Shortfall Option Offer, the Placement Option Offer and the Director Option Offer and Option Offer means any of them.

Placement Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

Placement Option Offer means the non-renounceable issue of the Placement Options the subject of this Prospectus.

Placement Shares means 67,424,381 Shares issued at \$0.0066 each pursuant to the Tranche 1 Placement and up to 150,000,000 Shares to be issued at \$0.0066 each pursuant to the Tranche 2 Placement.

Prospectus means this prospectus dated 20 June 2016 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.

Re-capitalisation Process means the issue of the Placement Shares (pursuant to the Tranche 1 Placement and the Tranche 2 Placement), the issue of Shares under the SPP and the issue of the Director Incentive Shares.

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

Series B Options means the existing class of listed Options on issue, exercisable at \$0.02 and expiring on 17 February 2018.

Series C Options means each of the SPP Options, the Shortfall Options, the Placement Options and the Director Options.

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 4.4 and 6.2 of this Prospectus.

Share Purchase Plan or **SPP** means the share purchase plan undertaken by the Company pursuant to the SPP Terms and Conditions dated 20 June 2016 and includes offers of Shares made pursuant to such plan.

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

Shareholder means a holder of a Share.

Shortfall Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

Shortfall Option Offer means the non-renounceable issue of the Shortfall Options the subject of this Prospectus.

SPP Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus.

SPP Option Offer means the non-renounceable issue of the SPP Options the subject of this Prospectus.

SPP Shortfall means any Shares offered pursuant to the Share Purchase Plan which we not issued to eligible Shareholders in accordance with the Share Purchase Plan.

Prospectus

Tranche 1 Placement means the placement undertaken on 31 May 2016 to raise approximately \$445,000.

Tranche 1 Placement Shares means 67,424,381 Shares issued at \$0.0066 each on 31 May 2016 pursuant to the Tranche 1 Placement.

Tranche 2 Placement means the placement proposed to be undertaken, subject to shareholder approval and obtaining firm commitments from investors, to raise approximately \$990,000.

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 Athan Lekkas	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 Registry	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 3024 0000 Facsimile: +61 07 3024 0000 Website: www.hopgoodganim.com.au

Prospectus

Attachment 1 Directors' direct and indirect holdings

Director (including associated entities)	Current Shareholding (Direct and Indirect) ¹	% of Total Share Capital (516,920,051 Shares on issue) ¹	Shareholding upon issue of the SPP Shares ^{1, 2}	% of Total Share Capital following issue of SPP shares (651,768,813 Shares on Issue) ^{1, 2}	Shareholding upon issue of Tranche 2 Placement Shares ^{1, 2, 3}	% of Total Share Capital following issue of Tranche 2 Placement Shares (801,768,813 Shares on Issue) ^{1, 2, 3}	Shareholding upon issue of Director Incentive Shares ^{1, 2, 3, 4}	% of Total Option Capital following issue of Director Incentive Shares (836,768,813 Shares on issue) ^{1, 2, 3, 4}
Michael Clarke	2,000,000	0.39%	4,272,727	0.66%	28,666,666	2.95%	28,666,666	3.43%
Athan Lekkas	13,200,000	2.55%	17,745,454	2.72%	37,139,393	4.63%	52,139,393	6.23%
Geoff Barnes	85,000,000	16.44%	89,545,454	13.74%	108,939,394	13.59%	123,939,394	14.81%
Other holders	416,720,051	80.62%	540,205,178	82.88%	632,023,361	78.83%	632,023,361	75.83%

1 This includes the Tranche 1 Placement Shares issued on 31 May 2016.

2 This assumes that the SPP is undertaken and fully subscribed. This assumes Michael Clarke (and controlled entities) subscribe for up to \$15,000 worth of Shares under the SPP and that each of Athan Lekkas and Geoff Barnes (and controlled entities) subscribe for up to \$30,000 worth of Shares under the SPP.

3 This assumes that all Tranche 2 Placement Shares, including all Tranche 2 Placement Shares the subject of Resolutions 6, 7 and 8 of the Meeting, are issued.

4 This assumes that all Director Shares are issued.

5 Assuming all SPP Options, Placement Options and Director Options are issued (see the table below for further details) Michael Clarke would hold a total of 12,222,221 Options, Athan Lekkas would hold a total of 28,979,797 Options and Geoff Barnes would hold a total of 56,429,797 Options. If Michael Clarke, Athan Lekkas and Geoff Barnes each exercised all such Options held by them, the maximum interest of each of them in the Shares on issue would be as follows: Michael Clarke, 40,888,887 Shares (4.38%), Athan Lekkas, 81,119,190 Shares (8.68%) and Geoff Barnes, 180,369,190 Shares (19.30%).

Prospectus

Options

Director (including associated entities)	Current Series B Options	% of Total Option (272,866,800 Options on issue)	Option holding upon issue of SPP Options ¹	% of Total Options following issue of SPP Options (317,816,388 Options on Issue) ¹	Option holding upon issue of Placement Options ^{1, 2}	% of Total Options following issue of Placement Options (390,291,113 Options on issue) ^{1, 2}	Option holding upon issue of Director Incentive Options ^{1, 2, 3}	% of Total Options following issue of Director Incentive Options (425,291,113 Options on issue) ^{1, 2, 3}
Michael Clarke	Nil	Nil	757,575	0.24%	7,222,221	1.85%	12,222,221	2.87%
Athan Lekkas	6,000,000	2.20%	7,515,151	2.36%	13,979,797	3.58%	28,979,797	6.81%
Geoff Barnes	33,450,000	12.26%	34,965,151	11.00%	41,429,797	10.62%	56,429,797	13.27%
Other holders	233,416,800	85.54%	274,578,511	86.40%	327,659,298	83.95%	327,659,298	77.04%

¹ This assumes that the SPP is undertaken and fully subscribed. This assumes Michael Clarke (and controlled entities) subscribe for up to \$15,000 worth of Shares under the SPP and that each of Athan Lekkas and Geoff Barnes (and controlled entities) subscribe for up to \$30,000 worth of Shares under the SPP. This assumes fractional entitlements to SPP Options are rounded down.

² This assumes that all Tranche 2 Placement Shares, including all Tranche 2 Placement Shares the subject of Resolutions 6, 7 and 8 of the Meeting, are issued. This assumes fractional entitlements to Tranche 2 Placement Options are rounded down.

³ This assumes that all Director Options are issued.



First Growth Funds

L I M I T E D

ABN 34 006 648 835

FGF

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For all enquiries:

Phone:



(within Australia) (02) 8651 7800
(outside Australia) 61 2 8651 7800

Web:



www.firstgrowthfunds.com

Email:



info@firstgrowthfunds.com

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan and SPP Option Application Form

Your payment must be received by 5:00pm (AEST) on 15 July 2016

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of First Growth Funds Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for First Growth Funds Limited shares on the terms of the Share Purchase Plan (Plan) and First Growth Funds Limited Series C options on the terms of the Prospectus dated 20 June 2016 (Prospectus).

By submitting this Application Form together with a cheque, or paying by BPAY you certify that the aggregate of the application price paid by you for:

- (a) the Shares the subject of this Application Form or the BPAY payment;
- (b) any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
- (c) any other Shares issued to you, or a Custodian (as a result of an instruction given by you to the Custodian or another Custodian to apply for Shares in the Company on your behalf) under the Plan or under any similar arrangement operated by the Company in the 12 months prior to the date of submission of this Application Form or making the BPAY payment does not exceed AUD\$15,000.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. Note that the amount chosen may be subject to scale back in accordance with the terms of the Plan.

First Growth Funds Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the Plan or the Prospectus whether generally or in relation to any participant or application.

Any determinations by First Growth Funds Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. First Growth Funds Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the Plan or the Prospectus, to amend or vary those terms and conditions or to suspend or terminate the Plan or the offers under the Prospectus at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where First Growth Funds Limited does not notify you of that event.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"First Growth Funds Limited"** and cross **"Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.


Share Purchase Plan and SPP Option Application Form

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I ND

STEP 1**Registration Name & Offer Details**

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678

Offer Details: Record date: **Wednesday, 18 May 2016**

Minimum value available to purchase: **\$2,000**

Maximum value available to purchase: **\$15,000**

STEP 2**Make Your Payment**

Bill Code: 168161
Ref No: 1234 5678 9123 4567 89

Pay by Mail:

Make your cheque, bank draft or money order payable to "**First Growth Funds Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEST) on 15 July 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor First Growth Funds Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEST) on 15 July 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor First Growth Funds Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Purchase Details for First Growth Funds Limited (choose one option)☐

\$2,000 (303,030 Shares & 101,010 SPP Options*)

☐

\$5,000 (757,575 Shares & 252,525 SPP Options*)

☐

\$7,500 (1,136,363 Shares & 378,787 SPP Options*)

☐

\$10,000 (1,515,151 Shares & 505,050 SPP Options*)

☐

\$15,000 (2,272,727 Shares & 757,575 SPP Options*)



Entitlement No: 12345678

* The issue of the SPP Options is subject to obtaining shareholder approval at the Meeting and there is no guarantee that the approval will be obtained and that the SPP Options will be issued.

Payment must be received by 5:00pm (AEST) on 15 July 2016

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ **Daytime Telephone** _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-3051+14

FIRST GROWTH FUNDS LIMITED

Return your form to:
The Company in accordance with the instructions provided by the Company.

For all enquiries:
Australia (within Australia) (02) 8651 7800
Outside Australia (outside Australia) +61 2 8651 7800

Bonus Options Application Form

Directors Bonus Options closes 5.00pm (AEST) Friday, 15 July 2016

Shortfall Bonus Options closes 5.00pm (AEST) Monday, 12 September 2016

Placement Bonus Options closes 5.00pm (AEST) Monday, 12 September 2016

The Series C Options will be a new class of Option which are exercisable at \$0.02 each, expire on 20 February 2018 and are otherwise on the terms set out in section 6.1 of the Prospectus.

This Application Form relates to the offer for Director Options, Shortfall Options and Placement Options by First Growth Funds Limited (the Company) made under the Prospectus lodged with Australian Securities and Investments Commission on Monday, 20 June 2016 (Prospectus) (and any replacement or supplementary Prospectus).

This Application Form is important. If you are in doubt as to how to deal with it, please contact your financial adviser or other independent and qualified professional adviser. You should read the entire Prospectus carefully before completing this application form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

By applying under any of these Offers, you make the acknowledgments, declarations, representations and warranties set out in the Prospectus.

STEP 1 Bonus Options applied for

Select the relevant offer for which you will receive Bonus Options:

Director Option Offer - An offer of Series C Options to the Directors or their nominees, to be issued for nil consideration.

Shortfall Option Offer - An offer of Series C Options to Investors on the basis of one (1) Series C Option for every three (3) Shares issued as part of any Shortfall pursuant to the SPP, to be issued for nil consideration.

Placement Option Offer - An offer of Series C Options to Investors on the basis of one (1) Series C Option for every three (3) Shares issued as part of the Tranche 1 Placement or the Tranche 2 Placement, to be issued for nil consideration.

STEP 2 Applicant name(s) and postal address

Enter the full name(s) you wish to appear on the register. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table overleaf for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS. Enter your postal address for all correspondence. All communications to you from the registry will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.

STEP 3 CHESS holdings only

The Series C Options will form a new class of securities which, subject to compliance with ASX requirements, will be listed on ASX. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Series C Options allotted to you under this application on the CHESS subregister, enter your CHESS Holder Identification Number (HIN).

Please note that if you supply a CHESS HIN but the name and address details on your application form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Series C Options issued will be held on the issuer sponsored subregister.

Lodgement instructions

Director Option Offer - This Offer is expected to close at 5.00pm (AEST) on Friday, 15 July 2016

Shortfall Option Offer - This Offer is expected to close at 5.00pm (AEST) on Monday, 12 September 2016

Placement Option Offer - This Offer is expected to close at 5.00pm (AEST) on Monday, 12 September 2016

Applications for Series C Options must be returned to the Company in accordance with the instructions provided by the Company. The Company may elect to extend the offer or any part of it, or accept late applications either generally or in particular cases. The offer, or any part of it, may be closed at any earlier date and time, without prior notice. Applicants are therefore encouraged to submit their Applications as early as possible. Do not return this form to the Registry.



Turn over to complete the application form

Privacy statement

The personal information you provide on this form is collected by Computershare, as registry for the Company, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Company may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting the registrar using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the *Corporations Act* and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the Company for whom we maintain securities registers or to third parties upon direction by the Company where related to the issuers administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

STEP 1 Select the Offer for which you will receive Bonus Options:

**Placement Option Offer - Insert
number of Placement Options in
box C below**

C

Individual / joint applications - refer to naming standards for correct form of registrable title(s)

Joint applicant 3 or account designation

Street name or PO box (continued)

City/Suburb/Town

State

Postcode

Contact name

Phone number

STEP 3 **CHESS holdings only**
supply your Holder Identification Number

X									
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Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the *Corporations Act*. At least one full given name and surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation or completed as described in the correct forms of registrable title below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual – Use given name(s) in full, not initials	Mr John Alfred Smith	J.A. Smith
Joint – Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company – Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts – Use trustee(s) personal name(s) – Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased estates – Use executor(s) personal name(s) – Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) – Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships – Use partners' personal name(s) – Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names – Use office bearer(s)' personal name(s) – Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds – Use the name of trustee of the fund – Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund