First Growth Funds Limited
ASX CODE FGF | ABN 34 006 648 835
Level 7 420 King William Street
Adelaide SA 5000 AUSTRALIA
www.firstgrowthfunds.com

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25 September 2014

Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

FINAL PROSPECTUS

The directors of First Growth Funds Limited are pleased to release the attached final prospectus that has now been through its exposure period with the ASIC and is available for circulation to investors.

On behalf of the board,

Peter Hunt
Secretary

FIRST GROWTH FUNDS LIMITED
ACN 006 648 835
Prospectus

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For the conditional offers of:

1. **Up to 300,000,000 Shares at an issue price of $0.01 per Share to raise up to $3,000,000 ("Public Offer") with a Minimum Offer of 150,000,000 shares to raise $1,500,000. Each share will include an attaching Series B New Option.**
2. **136,170,316 free Series A New Options to Existing Shareholders (or their nominees) ("Existing Shareholders Offer")**
3. **32,400,000 free Series A New Options to Peloton Capital (or its nominees) ("Peloton Series A Options Offer")**
4. **5,000,000 free Series A New Options to Transocean (or its nominees) ("Transocean Options Offer")**
5. **Up to 17,000,000 Shares at an issue price of $0.0001 together with one free attaching Series B New Option for every Share issued to Peloton Capital (or its nominees) to raise up to $1,700 ("Incentive Offer")**
6. **Up to 75,000,000 free Series B New Options to be issued to Peloton Capital (or its nominees) ("Peloton Series B Option Offer")**

THE OFFERS ARE NOT UNDERWRITTEN

THE OFFERS ARE SUBJECT TO CONDITIONS

The Offers are conditional upon certain events occurring. Please refer to **Section 2.2** of this Prospectus for further details.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Securities offered by this Prospectus should be considered speculative.

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IMPORTANT NOTICE

This Prospectus is dated 15 September 2014 and was lodged with ASIC on that date. ASIC, ASX and their respective officers do not take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of this Prospectus is at 5PM WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No Securities may be issued on the basis of this Prospectus after the Expiry Date.

Within seven (7) days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on the ASX.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

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

The Public Offer under this Prospectus will be made pursuant to an arrangement between the Company and Peloton Capital Pty Ltd, an Australian Financial Services licensee (**Arranger**) pursuant to Section 911A(2)(b) of the Corporations Act. A summary of this arrangement is set out in **Section 6.2**. The Company will only authorise the Arranger to make offers to people and arrange for the issue of the Shares by the Company under the Prospectus and the Company will only issue Shares in accordance with such offers if they are accepted. The Arranger is not responsible for nor has it caused the issue of this Prospectus.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.firstgrowthfunds.com . Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances; any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

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CORPORATE DIRECTORY

DIRECTORS

Geoff Barnes (Chairman)

Joe Calabria (Non-Executive Director)

Athan Lekkas (Non-Executive Director)

Michael Clarke (Non-Executive Director)

COMPANY SECRETARY

Mr. Peter Hunt

REGISTERED OFFICE

Level 7
420 King William Street
Adelaide, SA. 5000

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067 Australia

P 1300 137 328
F +61 3 9473 2563

AUDITOR

BDO (Vic) Pty Ltd
14/140 William St,
Melbourne VIC 3000

INVESTIGATING ACCOUNTANTS

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco, WA. 6008

ARRANGER

Peloton Capital Pty Ltd
Level 5
56 Pitt Street
Sydney, NSW, 2000

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LETTER TO INVESTORS

Dear Investor

INVESTMENT IN THE COMPANY

Shareholders recently approved a restructuring proposal presented by Peloton Capital Pty Ltd at a shareholder's meeting held on 30 July 2014.

Shareholders approved the capital raisings proposed. More detail on those raisings are contained within this Prospectus.

The key raising for potential investors to consider is the Public Offer of up to 300,000,000 Shares at a price of $0.01 with one free attaching Series B New Option for every Share issued to raise up to $3 million. This Offer is subject to a Minimum Raising of 150,000,000 Shares at $0.01 to raise approximately $1.5 million, which is the minimum level we have determined will allow the company to reinstate to trading on the ASX.

As Chairman of the Company, but also as a representative of Peloton Capital who are both the AFSL Arranger and the key provider of capital for the raising, we have a high level of confidence of at least achieving the minimum raising.

The successful completion of the minimum raising considered within the Public Offer will result in the Company's Shares recommencing trading on the ASX. The ASX has given a letter advising there is no reason why the securities of the Company should not be re-instated to trading on the ASX. This will only occur once the Company has satisfied all conditions imposed by the ASX. Those conditions are standard in a restructuring of this nature.

The Offers under this Prospectus will facilitate completion of the Recapitalisation Proposal (as set out in **Section 3.1(c)**) and will enable the Company to apply for its securities to be reinstated to trading on ASX.

Prior to being reinstated, ASX will require the Company, amongst other things, to lodge its outstanding statutory financial reports, which the Company intends to do as soon as practicable after completion of the Offers. These outstanding reports are underway and not anticipated to delay the reinstatement.

Shares and Options issued under this Prospectus will only be tradeable on the ASX if the conditions of the ASX approval are satisfied.

It is recommended that you consider the terms of the Offers contained in this Prospectus. In doing so if you then choose to invest in the Company I welcome you as a Shareholder.

Yours faithfully

Geoff Barnes
CHAIRMAN
FIRST GROWTH FUNDS LIMITED
15 September 2014

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1. INVESTMENT OVERVIEW

1.1 Important Notice

This section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

1.2 The Company

From 19 December 1986 when the Company listed on the ASX and until 17 July 2011 when it was placed into administration, the Company operated as an investment company raising capital to invest in a range of second tier investments. The Company intends to recommence its operations as an investment company and build on its current investment portfolio, which at the date of this Prospectus constitutes a 24.54% shareholding in Bluefish (please refer to **Sections 3.2(b)**and **3.2(d)** for more details of the Company's shareholding in Bluefish).

1.3 Summary of the Offers

By this Prospectus, the Company is undertaking six (6) separate conditional offers of Securities as follows:

- **Public Offer** – an offer to the general public of 300,000,000 Shares at an issue price of $0.01 per Share to raise up to $3,000,000 together with one free attaching Series B New Option for every Share issued to raise up to $3,000,000 (before expenses).

- **Incentive Offer** - an offer of up to 17,000,000 Shares at an issue price of $0.0001 per Share to raise up to $1,700 together with one free attaching Series B New Option for every Share issued to be issued at the Director's discretion to Peloton Capital (or its nominees) in consideration for assisting with the re-construction and re-capitalization of the Company.

- **Existing Shareholders Offer** – an offer of 136,170,316 free Series A New Options to Existing Shareholders as follows:

  (i) 23,170,316 to those Shareholders who were eligible to vote at the general meeting of the Company held in October 2012 (**Legacy Shareholders**), being one Series A New Option for every one Shares held by Legacy Shareholders;

  (ii) 30,000,000 Series A New Options to those Shareholders who were issued 60,000,000 Shares in 2013 under the Proponent Issue pursuant to the 2012 recapitalisation proposal (**Proponent Shareholders**), being one Series A New Option for every two Shares held by the Proponent Shareholders; and

  (iii) 83,000,000 Series A New Options to those Shareholders who were issued Shares during August/September 2013 as approved by Shareholders at the general meeting of the Company held in October 2012 (**2013 Shareholders**), being one Series A New Option for every one Share held by the 2013 Shareholders.

- **Peloton Series A Options Offer** – an offer of 32,400,000 free Series A New Options to Peloton Capital (or its nominees) in consideration for the capital raising by Peloton on 28 May 2014 to raise $162,000.

- **Transocean Offer** – an offer of 5,000,000 free Series A New Options to Transocean (or its nominees) as part consideration previously agreed for the provision of Transocean's Australian Financial Services Licence.

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- **Peloton Series B Option Offer** – an offer of up to 75,000,000 free Series B New Options to be issued to Peloton Capital (or its nominees) as part consideration for Peloton Capital's assistance in relation to the Recapitalisation Proposal.

All Shares issued under the Offers or exercise of the New Options will be fully paid ordinary Shares and will rank equally with Existing Shares on issue on the terms set out in **Section 7.2.**

All Series A New Options issued under the Offers will have an exercise price of $0.008 per Series A New Option, an expiry date of 12 months from the date of Reinstatement and will otherwise be issued on the terms set out in **Section 7.3**.

All Series B New Options issued under the Offers will have an exercise price of $0.02 per Series B New Option, an expiry date of 36 months from the date of Reinstatement and will otherwise be issued on the terms set out in **Section 7.4**.

The Offers are conditional upon the satisfaction of the conditions referred to in **Section 2.2**.

Further details of the Offers are set out in **Section 2**.

1.4 Indicative Timetable

Lodgement of Prospectus with the ASIC	15 September 2014
Opening Date of Offers	23 September 2014
Closing Date of Offers	5.00PM WST on 20 October 2014
Despatch of Holding Statements	22 October 2014
Reinstatement to Trading	29 October 2014

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

1.5 Purpose of the Offers and Use of Proceeds

The purpose of the Offers is to:

(a) facilitate the Company's reinstatement on ASX, including the re-quotation of the Company's Securities on ASX;

(b) pay various costs associated with the Offers;

(c) pay the costs of the Recapitalisation Proposal;

(d) implement the Company's operation and expenditure plans outlined in **Section 3**; and

(e) provide capital to enable identification, investigation and development of the Company's investment opportunities.

An indicative use of the funds raised under the Offers is set out below:

	Maximum Subscription - $3,000,000	**Minimum Subscription - $1,500,000**
Expense	**Amount ($)**	**Amount ($)**
Cost of recapitalisation and relisting	370,000	280,000
Review and Evaluation of new Business	200,000	200,000

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Opportunities		
Investments	2,030,000	720,000
Administration Costs	200,000	150,000
General Working Capital	204,500	154,500
Total Funds Utilised[1]	**$3,004,500**	**$1,504,500**

Notes:

1. The Table includes $2,800 raised through the issue of Securities to Directors and the nominees of Peloton Capital as announced on 5 September 2014 and approved at the General Meeting and the $1,700 to be raised under the Incentive Offer assuming it is fully subscribed.

1.6 Capital Structure

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offers under this Prospectus.

Capital Structure		
Shares	**Minimum Subscription**	**Maximum Subscription**
Existing Shares as at the date of the Prospectus[1]	276,570,316	276,570,316
Shares to be issued on completion of the Offers		
Shares to be issued under the Incentive Offer	17,000,000	17,000,000
Shares to be issued under the Public Offer	150,000,000	300,000,000
Total Shares on issue at completion of the Offers	**443,570,316**	**593,570,316**

Options	**Minimum Subscription**		**Maximum Subscription**	
	Series A	**Series B**	**Series A**	**Series B**
New Options on issue as at the date of the Prospectus[1]	Nil	28,000,000	Nil	28,000,000
New Options to be issued under the Offers [2]				
Existing Shareholder Offer	136,170,316		136,170,316	
Peloton Series A New Option Offer	32,400,000		32,400,000	
Transocean Offer	5,000,000		5,000,000	
Public Offer		150,000,000		300,000,000
Incentive Offer		17,000,000		17,000,000
Peloton Series B New		75,000,000		75,000,000

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Option Offer				
Total Options on issue at completion of the Offers	**173,570,316**	**270,000,000**	**173,570,316**	**420,000,000**

Notes:

1. Includes the Securities issued to Directors and the nominees of Peloton Capital as announced on 5 September 2014 and approved at the General Meeting.
2. Full terms of the Series A and Series B New Options are set out in **Section 7.3**.

1.7 Key Features of the Business Model

The Company anticipates being a venture capital investor, investing seed capital in start up opportunities with profiles suitable to providing liquidity events within 24 months of investment.

The Company has a Board of Directors with experience in such investing activities and capital markets, as well as strong associations with a number of companies active in this area, such as Peloton Capital Pty Ltd. It anticipates a range of suitable investment opportunities being put to it for analysis.

In making such investments the Company will be seeking capital growth opportunities rather than operating revenue opportunities.

Please refer to **Section 3.2** for full details of the Company's future business plans.

1.8 Key Risks

Before deciding on whether to apply for Securities under this Prospectus, prospective investors should read the Prospectus in its entirety and consider the key risk factors summarised in the table below. The key risks below and further risks are discussed in more detail in **Section 5**..

RISK	DESCRIPTION	SECTION REFERENCE
Security Interest over Bluefish Shares	The Company's shares in Bluefish are subject to a registered Security Interest in favour of the Secured Creditor following completion of the Recapitalisation Proposal. Further, the Company may be required to liquidate those shares following 9 months of Reinstatement at the Secured Creditor's discretion. If the Company is required to liquidate its Bluefish shares after 9 months it may lose what is its main asset at the time of Reinstatement, which may have implications on its ASX Listing. However, as the Company is an Investment Company, the nature of which is to invest and liquidate investments, so the possible sale would be in the normal course of the Company's business.	5.1(a)
Financial Reporting Risks	The Company is in breach of its financial reporting requirements under the Corporations Act which may attract liability going forward and impact on the Company's ability to be reinstated to the ASX.	5.1(b)
Company's Investments	The Company's operations involve investing in businesses and assets which may not prove to be successful for reasons which may be beyond the Company's control.	5.1(c)
Contract Risk	The Company may be unable to satisfy the conditions of any current or future agreements or undertakings with third	5.1(d)

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RISK	DESCRIPTION	SECTION REFERENCE
	parties, thereby jeopardising the Company's interest in these agreements. If a third party defaults on its obligations or undertakings under an agreement then the Company may be adversely affected.	
Lack of Executive Management	The Company's management currently consists of four 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.	5.1(e)
Restricted Securities	Subject to the Company being reinstated to trading on the Official List of the ASX, certain securities to be issued as part of the Recapitalisation Proposal may be classified by ASX as restricted securities and could be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.	5.1(f)
Dependence on Key Personnel	The Company may not be able to retain or hire suitable personnel, be they Directors or key consultants.	5.1(g)
Uncertainty and Future Profit	The Company may not achieve a viable development plan that allows it to operate profitably.	5.1(h)
Investment in the Company	An investment in the Company under this Prospectus should be considered speculative. Shares issued pursuant to an Offer do not carry any guarantee as to the payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price which was paid by the investor for the Shares.	5.1(g)

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. Prospective investors must refer to the risk factors set out in full in **Section 5** before making a decision to subscribe for Securities under this Prospectus.

1.9 Key Financial Information

On 17 July 2011 the Administrator was appointed as the administrator of the Company and on 18 July 2011 the Securities of the Company were suspended from official quotation on the Official List at the request of the Company. At a meeting of the Company's creditors on 30 January 2012, the creditors resolved that the Company should enter into a Deed of Company Arrangement ("**DOCA**"), and the DOCA was subsequently executed on 20 February 2012 by the Company, the Administrator, Trident Capital and the Secured Creditor. Whilst the DOCA was effectuated on 18 October 2013, the Company has had limited funds, limited relevant trading history and limited information as to its financial performance.

As a result, the Company is not in a position to disclose any key financial ratios other than its balance sheet which is included in the Investigating Accountant's Report set out in **Section 4** of this Prospectus.

It is not possible to evaluate the Company's future prospects based on past performance. The Directors are confident that the Company's past performance should not impact on the future opportunities of the Company.

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1.10 Information on Directors

- **Mr Geoff Barnes – Chairman**

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

Mr. Barnes is also a Director of Raya Group Limited, a public listed company.

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

- **Mr Joe Calabria – Non-Executive Director**

Mr. Calabria is a Director of Retailink, a creative production company servicing national retailers and corporate organisations. Mr. Calabria has held several senior positions with various Multi-National companies and has also participated in a range of successful property investments and developments both commercial and agricultural.

Mr. Calabria is also a Director of Visual Lab Ltd, a public unlisted company.

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

- **Mr Athan Lekkas – Non-Executive Director**

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

Mr. Lekkas is also a Director of Raya Group Limited, a public listed company.

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

- **Mr. Michael Clarke – Non-Executive Director**

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

Mr. Clarke is also a Director of Raya Group Limited, a public listed company.

Mr. Clarke has a Diploma in Business and Management, is a Member of Australian Institute of Company Directors (AICD).

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

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1.11 Interests and Benefits of Directors

(a) **General**

Other than as set out below or elsewhere in this Prospectus no Director has or has had, within two (2) years before lodgement of this Prospectus with ASIC:

- any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers; and
- no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director, either to induce him or her to become, or to qualify them as a Director, or otherwise, for services rendered by him or her in connection with the formation or promotion of the Company or the Offers.

(b) **Directors' Interest in Shares and Options**

A summary of the Directors' interests in the Securities of the Company are set out below.

Shares

Directors and their Associates	Current Shares held	Maximum Total Shares to be issued under the Offers[1, 2]	Maximum Total of Shares on completion of Offers	% Voting Power post completion of Offers[3]
Geoff Barnes	55,300,000[4]	37,000,000[5]	92,300,000	15.55%
Joe Calabria	22,400,000[6]	5,000,000	27,400,000	4.62%
Athan Lekkas	13,200,000[8]	5,000,000	18,200,000	3.07%
Michael Clarke	2,000,000	5,000,000	7,000,000	1.78%
Total Shares on issue	**443,570,316**	**52,000,000**	**593,570,316**	**23.7%**

Options

Directors and their Associates	Current Options held		Maximum Total Options to be issued under the Offers[1,2]		Maximum Total of Options on completion of Offers	
	Series A	Series B	Series A	Series B	Series A	Series B
Geoff Barnes	Nil	6,000,000[4]	32,400,000[5]	112,000,000[5]	Nil	118,000,000[5]
Joe Calabria	Nil	6,000,000[6]	7,100,000[7]	5,000,000	7,100,000	11,000,000
Athan Lekkas	Nil	6,000,000[8]	4,800,000[9]	5,000,000	4,800,000	11,000,000
Michael Clarke	Nil	Nil	2,000,000[10]	5,000,000	2,000,000	5,000,000

Notes:

1. At the General Meeting Shareholder approval was received for Directors to apply for Securities through the Public Offer as follows:
   (a) up to 20,000,000 Shares and 20,000,000 free attaching Series B New Options to Mr Barnes (or his nominee);
   (b) up to 5,000,000 Shares and 5,000,000 free attaching Series B New Options to Mr Calabria (or his nominee);

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(c) up to 5,000,000 Shares and 5,000,000 free attaching Series B New Options to Mr Lekkas (or his nominee); and

(d) up to 5,000,000 Shares and 5,000,000 free attaching Series B New Options to Mr Clarke (or his nominee).,

(the **Participation Amounts)**.

2. This table assumes that the Directors apply for the full amounts however the Directors have not made any firm commitments in relation to applying for Securities under the Offers. Mr Barnes confirms that he will not apply for his full Participation Amount if it would result in his voting power in the Company exceeding 20%, in which case he will only apply for the Participation Amount in part so that his voting power in the Company would be as close to but not exceeding 20%.
3. Assumes the maximum subscriptions under the Public Offer, no Options are exercised and no other Shares other than as contemplated in the Prospectus are issued.
4. 32,800,000 Shares and 6,000,000 Series B New Options are held by GEBA Pty Ltd, a company of which Mr Barnes is a director and shareholder, as trustee for the Geba Family Trust Account. 22,500,000 Shares are held by GXB Pty Ltd, a company of which Mr Barnes is a director and shareholder.
5. This includes the Securities to be issued to Peloton Capital under the Offers (being 17,000,000 Shares and 17,000,000 free attaching Series B Options under the Incentive Offer, 32,400,000 Series A Options under the Peloton Series A New Options Offer, the 75,000,000 Series B Options under the Peloton Series B New Options Offer) as Peloton Capital is controlled by Mr Barnes and accordingly Mr Barnes is deemed to have a relevant interest in all Securities held by Peloton Capital. Peloton Capital will have the discretion to for these Securities to be issued to clients and other parties who have assisted in the Recapitalisation Proposal and accordingly Mr Barnes will not have a relevant interest in all these Securities.
6. 2,400,000 Shares held by Mr. Joe Calabria, 16,000,000 Shares and 6,000,000 Series B New Options are held by Calabria Enterprises Pty Ltd, a company of which Mr Calabria is a director and shareholder, and 4,000,000 Shares are held by Joe Calabria Pty Ltd, a company of which Mr Calabria is a director and shareholder.
7. These are to be issued to Mr Calabria under the Existing Shareholder Offer as approved by Shareholders at the General Meeting.
8. 9,200,000 Shares and 6,000,000 Series B New Options held by Dalext Pty Ltd, a company of which Mr Lekkas is a director, as trustee for Dalext Unit A/C and 4,000,000 Shares are held by Dalext Superannuation Pty Ltd, a company of which Mr Lekkas is a director.
9. These are to be issued to Mr Lekkas under the Existing Shareholder Offer as approved by Shareholders at the General Meeting.
10. These are to be issued to Mr Clarke under the Existing Shareholder Offer as approved by Shareholders at the General Meeting.

(c) Shareholding Qualifications

Directors are not required to hold any Shares under the constitution of the Company.

(d) Directors' Security Holdings

Other than as set out in this **Section** or elsewhere in the Prospectus, the Directors have no relevant interests in the Shares of the Company as at the date of this Prospectus.

(e) Directors' Remuneration

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive Directors must not exceed an aggregate maximum of $450,000 per annum or such other aggregate amount per annum determined from time to time by the Company in general meeting.

Other than as set out in this **Section** or elsewhere in this Prospectus, the Directors have not received any financial benefit from the Company in the last 12 months.

The Board has not been paid any fees for its services since the DOCA was effectuated and the control of the Company returned to the Board as representatives of its Shareholders. The Board of Directors does not expect to be paid fees into the immediate future.

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(f) **Arrangements or Agreements with Directors**

The Company proposes to enter into deeds of indemnity, insurance and access with each of its existing Directors. Under these deeds, the Company will look to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

1.12 Proposed Use of Funds

The Company proposes to raise a minimum of $1,500,000 and a maximum of $3,000,000 under this Prospectus. The Company intends to apply the funds raised under this Prospectus as follows:

(a) **Maximum Subscription ($3,000,000 raised)**

Use of Funds	Year 1	% [1]	Year 2	% [1]	Total
Expenses associated with the Offers and Recapitalisation Proposal	$370,000	12.31%	$0	0.00%	**$370,000**
Review and evaluation of new business opportunities	$100,000	3.33%	$100,000	3.33%	**$200,000**
New investments	$1,000,000	33.28%	$1,030,000	34.28%	**$2,030,000**
Administration Costs	$100,000	3.33%	$104,500	3.48%	**$204,500**
General Working Capital	$100,000	3.33%	$100,000	3.33%	**$200,000**
Total Funds Utilised	**$1,670,000**	**55.6%**	**$1,334,500**	**44.4%**	**$3,004,500[2]**

(b) **Minimum Subscription ($1,500,000 raised)**

Use of Funds	Year 1	% [1]	Year 2	% [1]	Total
Expenses associated with the Offers and Recapitalisation Proposal	$280,000	18.61%	$0	0.00%	$280,000
Review and evaluation of new business opportunities	$100,000	6.65%	$100,000	6.65%	$200,000
New investments	$360,000	23.93%	$360,000	23.93%	$720,000
Administration Costs	$75,000	4.99%	$79,500	5.28%	$154,500
General Working Capital	$75,000	4.99%	$75,000	4.99%	$150,000
Total Funds Utilised	**$1,788,000**	**59.16%**	**$1,016,500**	**40.84%**	**$1,504,500[2]**

Notes:

1. Percentages are shown as a percent of total capital raised under the different scenario of Maximum Subscription and Minimum Subscription.
2. Includes the $2,800 raised through the issue of Securities to Directors and the nominees of Peloton Capital as announced on 5 September 2014 and approved at the General Meeting and the $1,700 to be raised under the Incentive Offer assuming it is fully subscribed.

Whilst the Directors are satisfied that upon completion of the Offers the Company will have sufficient working capital to meet its stated objectives, investors should be aware that the Company may use and expend its cash reserves more quickly than contemplated. This may or may not leave the

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Company in a negative cash-flow situation which may ultimately affect the value of the Company's Shares.

Further, any future investments that may be contemplated by the Company may exceed the current or projected working capital of the Company. Accordingly, any such acquisition may need to be funded by debt and/or equity issues, as required (subject to Shareholder approvals if required).

In the event the Company raises more than the minimum subscription of $1,500,000, the additional funds raised will be first applied towards review and evaluation of new business opportunities and general working capital. On completion of the Offers, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including investment success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

1.13 Arrangement with AFS License holder

The Company does not hold an Australian financial services licence. Accordingly, the Company will only issue Securities pursuant to this Prospectus under an arrangement with the Arranger pursuant to Section 911A (2) (b) of the Corporations Act. A summary of this arrangement is set out in **Section 6.2**.

The Company will pay to the Arranger a fee of 1% of the Capital Raised through this Prospectus.

1.14 Substantial Shareholders

Based on publically available information, those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offers (assuming full subscription) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	**Shares**	**% age**
Noble Investments Superannuation Fund Pty Ltd	29,000,000	10.49%
Geba Pty Ltd [1]	32,800,000	11.86%
Mungala Investments (and associated entities)[2]	23,502,865	8.50%
Khaza Nominees Pty Ltd	23,000,000	8.32%
GXB Pty Ltd [1]	22,500,000	8.14%

Notes:

1. Geba and GXB are entities associated with Director Mr. Geoff Barnes. Collectively the entities control 55,300,000 shares, or 19.83% of the issued capital prior to any raisings through the Prospectus.
2. Shares held as below

Mungala Investments Pty Ltd	13,692,865	4.95%
Serec Pty Ltd	8,970,000	3.24%
Melbourne Capital Limited	500,000	0.18%
Angus Michael Edgar Superannuation Fund Pty Ltd	340,000	0.12%
Total	**23,502,865**	**8.50%**

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Following the Offers

On completion of the Offers (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offers and no other Shares are issued or Options exercised)

Shareholder	Issued Shares	% at date of this prospectus	% after Public Offer (Maximum Subscription)	% after Public Offer (Minimum Subscription)
Geba Pty Ltd [1]	32,800,000	11.86%	5.53%	7.39%
GXB Pty Ltd [1]	22,500,000	8.14%	3.79%	5.07%
Total		**19.83%**	**9.32%**	**12.46%**

1.15 Key Conditions for Reinstatement

The satisfaction of each of the conditions below is a requirement for the issue of Securities under this Prospectus.

In the event that any of these conditions are not met within three (3) months of the date of this Prospectus, all Application Monies will be returned to Applicants without interest as soon as possible thereafter.

(a) **Minimum Subscription**

The minimum level of subscription for the Public Offer is 150,000,000 Shares to raise $1,500,000.

No Securities under the Offers will be issued by the Company until the Minimum Subscription has been achieved.

(b) **ASX Approvals**

The Company has received conditional approval from ASX to be reinstated to trading on the ASX, subject to satisfying the conditions required by ASX. These conditions are set out in further detail in **Section 2.2** of this Prospectus.

The Offers are conditional upon the Company being satisfied of its ability to satisfy the requirements of the ASX for the Company to be reinstated to ASX.

If all of the conditions to the Offers are not satisfied within three (3) months after the date of this Prospectus, no securities will be issued. Application Monies will be refunded in full without interest in accordance with the Corporations Act.

1.16 Expenses

The expenses of the Offers and Recapitalisation Proposal are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

Expenses of the Offers and Recapitalisation Proposal	Minimum Subscription $	Full Subscription $
Capital Raising Fees (5%)	75,000	150,000
AFSL Arranger Fees (1%)	15,000	30,000

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Fees for professional services	45,000	45,000
Audit, Accounting and Tax	100,000	100,000
ASIC and ASX fees	35,000	35,000
Other Costs	10,000	10,000
Total Estimated Expenses	**$280,000**	**$370,000**

Note: The Company has entered into an agreement with the Arranger whereby it is able to utilise its AFSL to allow the Company, as a Listed Investment Company, to offer its securities to the Public. The agreement with the Arranger is that the Arranger will be paid a fee of 1% of the capital raised under this Prospectus.

1.17 Restricted Securities

Subject to the Company being reinstated to trading on the Official List of the ASX, certain securities to be issued as part of the Recapitalisation Proposal may be classified by ASX as restricted securities and could be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

1.18 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (Recommendations).

The Company's main corporate governance policies and practices as at the date of this Prospectus are set out in **Section 7.5** of this Prospectus and the Company's compliance and departures from the Recommendations will be announced to ASX prior to the Company's re-instatement to trading on the Official List.

In addition, the Company's full Corporate Governance Policies are available from the Company's website www.firstgrowthfunds.com.

1.19 Dividend Policy

Although the Company does not expect to declare any dividends in the immediate term, any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

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2. DETAILS OF THE OFFERS

2.1 The Offers

(a) **Public Offer**

The Public Offer is for up to 300,000,000 Shares at an issue price of $0.01 per Share to raise up to $3,000,000 before expenses of the Offer with one free attaching Series B New Options for every Share issued.

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally in all respects with the Existing Shares in the Company. The rights attaching to the Shares are further described in **Section 7.2** of this Prospectus.

The Series B New Options will be issued on the terms and conditions specified in **Section 7.3**.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

Each Application under the Public Offer must be for a minimum of 200,000 ($2,000) Shares and thereafter in multiples of 100,000 Shares ($1,000). No brokerage, stamp duty or other costs are payable by Applicants in respect of an Application for Shares under this Prospectus.

In respect of this Public Offer, the Directors reserve the right to reject any Application or to allocate any Applicant fewer Securities than the number for which the Applicant has applied.

Applications for Securities under the Public Offer must be made on the **PUBLIC OFFER APPLICATION FORM** contained in **Section** 9 of this Prospectus and must be received by the Company before 5.00pm WST on the Closing Date.

(b) **Existing Shareholder Offer**

As approved at the General Meeting, the Company will offer 136,170,316 Series A New Options to Existing Shareholders as follows:

(A) 23,170,316 Series A New Options to Legacy Shareholders (or their nominees), offered as a bonus issue of one Series A New Option for every one Shares held by Legacy Shareholders;

(B) 30,000,000 Series A New Options to Proponent Shareholders (or their nominees), offered as a bonus issue of one Series A New Option for every two Shares held by the Proponent Shareholders; and

(C) 83,000,000 Series A New Options to 2013 Shareholders(or their nominees), offered as a bonus issue of one Series A New Option for every one Share held by the 2013 Shareholders.

The New Options are being issued for nil cash consideration but have an exercise price of $0.008 per New Option. The New Options will expire 12 months from the date of Reinstatement and are only exercisable during the 7 day period immediately prior to the 12 month anniversary.

The New Options will otherwise be issued on the terms and conditions specified in **Section 7.3.**

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The total number of Series A New Options to be issued under the Existing Shareholder Offer is 136,170,316.

As the New Options are being issued for nil consideration, no funds will be raised under the Existing Shareholder Offer.

If all of the New Options issued under the Existing Shareholder Offer are exercised then 136,170,316 new Shares will be issued and the Company will receive approximately $1,089,362.

Eligible Shareholders are not required to do anything to be issued Series A New Options under the Series A New Options Offer.

(c) **Peloton Series A New Option Offer**

As approved at the General Meeting, the Peloton Series A New Option Offer is being made as a bonus issue to the nominees of Peloton Capital who participated in the capital raising of $162,000 as announced by the Company on 28 May 2014.

The New Options are being issued for nil cash consideration but have an exercise price of $0.008 per New Option. The New Options will expire 12 months from the date of Reinstatement and are only exercisable during the 7 day period immediately prior to the 12 month anniversary.

The New Options will otherwise be issued on the terms and conditions specified in **Section 7.3.**

The number of New Options to be issued under the Peloton Series A New Option Offer is 32,400,000.

As the New Options are being issued for nil consideration, no funds will be raised under the Series A New Option Offer.

If all of the New Options issued under the Series A New Option Offer are exercised then 32,400,000 new Shares will be issued and the Company will receive approximately $259,200.

Eligible Shareholders are not required to do anything to be issued Series A New Options under the Series A New Options Offer.

(d) **Transocean Offer**

As approved at the General Meeting, the Company is offering as a bonus issue 5,000,000 Series A New Options to Transocean (or its nominees) in part consideration for the previous provision of Transocean's Australian Financial Services Licence for use by the Company.

The New Options are being issued for nil cash consideration but have an exercise price of $0.008 per New Option. The New Options will expire 12 months from the date of Reinstatement and are only exercisable during the 7 day period immediately prior to the 12 month anniversary.

The New Options will otherwise be issued on the terms and conditions specified in **Section 7.3**.

The number of New Options to be issued to Transocean (or its nominees) pursuant to the Transocean Offer is 5,000,000.

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As the New Options are being issued for nil consideration, no funds will be raised under the Series A New Option Offer.

If all of the New Options issued under the Series A New Option Offer are exercised then 5,000,000 new Shares will be issued and the Company will receive approximately $664,000.

Eligible Shareholders are not required to do anything to be issued Series A New Options under the Series A New Options Offer.

(e) **Incentive Offer**

The Incentive Offer is for the issue of 17,000,000 Shares at an issue price of $0.0001 per Share to Peloton Capital (or its nominees). Each Share will be issued with a free attaching Series B New Option issued on a one (1) free New Option for every one (1) Share issued under the Peloton Capital Incentive Share Offer.

The issue of 17,000,000 shares under the Peloton Capital Incentive Share Offer will raise $1,700.

The Incentive Offer was approved by Shareholders at General Meeting held on 30 July 2014 The rights attaching to the Shares are further described in **Section 7.2** of this Prospectus.

The Series B New Options to be issued with the Incentive Offer are issued for nil cash consideration and an exercise price of $0.02 per Series B New Option. The New Options will expire 36 months from the date of Reinstatement and are only exercisable during the 7 day period immediately prior to the 36 month anniversary.

The Series B New Options will otherwise be issued on the terms and conditions specified in **Section 7.3**.

The number of Series B New Options to be issued under the Incentive Offer is 17,000,000.

As the Series B New Options Offer is being issued for nil consideration, no funds will be raised under the Series B New Options Offer.

Applications under the Incentive Offer must be made on the **INCENTIVE OFFER APPLICATION FORM** contained in **Section 10** of this Prospectus and must be received by the Company before 5.00pm on the Closing Date.

(f) **Peloton Series B New Option Offer**

The Peloton Series B New Option Offer is being made to the subscribers under the Peloton Capital Offer. The Peloton Capital Offer will be issued to parties nominated by Peloton Capital.

The Series B New Options are being issued for nil cash consideration but have an exercise price of $0.02 per New Option. The Series B New Options will expire 36 months from the date of Reinstatement and are only exercisable during the 7 day period immediately prior to the 36 month anniversary.

The Series B New Options will otherwise be issued on the terms and conditions specified in **Section 7.3.**

The number of Series B New Options to be issued under the Peloton Series B New Option Offer is 75,000,000.

As the Series B New Options are being issued for nil consideration, no funds will be raised under the Peloton Series B New Option Offer .

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If all of the Series B New Options issued under the Peloton Series B New Option Offer are exercised then 75,000,000 new Shares will be issued and the Company will receive approximately $1,500,000.

Eligible Shareholders are not required to do anything to be issued Series B New Options under the Peloton Series B New Option Offer .

2.2 Conditional Offer

(a) **Conditions**

The satisfaction of each of the conditions below is a requirement for the issues of Securities under this Prospectus.

In the event that any of these conditions are not met within three (3) months of the date of this Prospectus, all Application Monies will be returned to Applicants without interest as soon as possible thereafter.

(i) **Minimum Subscription**

The minimum level of subscription for the Public Offer is 150,000,000 Shares to raise $1,500,000.

No securities under the Public Offer will be allotted by the Company until the Minimum Subscription has been achieved.

(ii) **ASX Approvals**

The Company has received a letter from ASX advising there should be no reason why the Company should not be reinstated to trading on the ASX, subject to satisfying the conditions required by ASX.

The Offers are conditional upon the Company being satisfied of its ability to satisfy the requirements of the ASX for the Company to be reinstated to ASX.

The material conditions that remain outstanding are as follows:

(A) that, after payment of the costs of capital raising (if any), the Company can demonstrate to ASX that it will have a minimum of $1,000,000 in cash, net of all liabilities, at the date of reinstatement, the Company believes that on raising the Minimum Subscription it will be able to satisfy this condition; and

(B) to lodge its outstanding statutory financial reports, which the Company intends to do as soon as practicable after completion of the Offers. These outstanding reports are underway and not anticipated to delay the reinstatement.

(b) **Non Satisfaction of Conditions**

If all of the conditions to the Offers are not satisfied within three (3) months after the date of this Prospectus, no securities will be issued. Application Monies will be refunded in full without interest in accordance with the Corporations Act.

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2.3 Applications under Offer

(a) **Public Offer**

If you wish to participate in the Public Offer, you should complete the Public Offer Application Form set out in **Section** 9 of this Prospectus. Applicants may apply for a minimum parcel of 200,000 Shares, representing a minimum investment of $2,000. Applicants seeking additional Shares must apply thereafter for Shares in multiples of 100,000 (equivalent to $1,000).

All Applications must be completed in accordance with the detailed instructions on the Public Offer Application Form and be accompanied by a cheque or bank cheque drawn and payable on an Australian bank and must be made payable to "First Growth Funds Limited – Subscription Account" ("**Subscription Account**") and should be crossed "Not Negotiable". No brokerage or stamp duty is payable.

Completed Public Offer Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to or mailed to the following address:

Delivered to:	**Posted to:**
First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.	First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.

Alternatively forms can be emailed to:

info@firstgrowthfunds.com

with funds transferred to the following account:

National Australia Bank
BSB: 083-088
A/C No: 83-836-4561
A/C Name: First Growth Funds Limited – Subscription Account

All Application Monies received with duly completed Public Offer Application Forms will be paid into the Subscription Account in accordance with the requirements set out above.

The Company must, subject to the conditions set out in **Section 2.2** being met and the requirements set out in this Section of this Prospectus, deal with the Application Monies held in the Subscription Account in accordance with the following instructions of the Directors:

- transfer all of the Application Monies received under this Prospectus and held in the Subscription Account to the Company; and
- allot and issue the securities offered under this Prospectus.

An original, completed and lodged Public Offer Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Public Offer Application Form. The Public Offer Application Form does not need to be signed to be valid. If the Public Offer Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether or not to treat such an Application as valid and how to construe, amend or complete the Public Offer Application Form is final.

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However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

Applicants are encouraged to lodge their Public Offer Application Forms as soon as possible, as the Public Offer may close early without notice.

(b) **Incentive Offer**

For the parties nominated by Peloton Capital to participate in the Peloton Incentive Share Offer, they must complete the Peloton Incentive Share Application Form set out in **Section 9** of this Prospectus. The completed Incentive Offer Application Form must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to or mailed to the following address:

Delivered to:	**Posted to:**	**Emailed to:**
First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.	First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.	info@firstgrowthfunds.com

An original, completed and lodged Incentive Offer Application Form constitutes a binding and irrevocable offer to subscribe for the full number of Shares specified under the Incentive Offer. The Incentive Offer Application Form does not need to be signed to be valid. If the Incentive Offer Application Form is not completed correctly, it may be treated by the Company as valid. The Directors' decision as to whether or not to treat such an application as valid and how to construe, amend or complete the Incentive Offer Application Form is final.

(c) **Series A New Option Offers**

The Eligible Shareholders or nominated parties participating in the various Series A New Options offers, being the Existing Shareholder Offer, the Peloton Series A New Option Offer and the Transocean Offer are not required to do anything to be issued Series A New Options under the Offers.

(d) **Peloton B New Option Offer**

The Eligible Shareholders or nominated parties participating in the Peloton Series B New Option Offers are not required to do anything to be issued Series B New Options under the Series B New Option Offers.

2.4 Minimum Subscription and Oversubscription

All of the Offers are conditional on the Company achieving the minimum level of subscription for the Public Offer, being 150,000,000 new Shares to raise $1,500,000 ("**Minimum Subscription**").

No Securities under the Offers will be issued by the Company until the Minimum Subscription has been achieved. If the Minimum Subscription has not been reached within three (3) months from the date of this Prospectus, all Applications and Application Monies will be dealt with in accordance with the requirements of the Corporations Act. The Minimum Subscription must be raised before the quotation of the Shares on the ASX can occur.

2.5 Public Offer Underwriting

The Offer is not underwritten.

2.6 Allocation and Issue of Securities

In respect of the Public Offer, the Directors reserve the right to reject an Application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the Application Monies or the surplus Application Monies will be promptly refunded without interest.

Subject to the conditions of the Offers (see **Section 2.2**), the issue of Securities will occur as soon as possible after the Closing Date. Statements of security holding will be dispatched as soon as possible after the Closing Date as required by ASX. It is the responsibility of the investor to determine their allocations prior to trading in the Securities.

Investors who sell Securities issued under this Prospectus before they receive their statement of security holding will do so at their own risk.

2.7 Application Monies to be Held in Trust

The Application Monies for Shares to be issued pursuant to the Public Offer will be held in the Subscription Account on behalf of Applicants until the Shares are allotted. If the Public Offer does not achieve Minimum Subscription within a period of three (3) months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and no securities will be allotted pursuant to the Offers. All interest earned on Application Monies (including those which do not result in the allotment of Shares) will be retained by the Company.

2.8 ASX Reinstatement

The Company's Shares were suspended from trading on the ASX on 17 July 2011.

Subject to, and in accordance with, the conditions (see **Section 2.2**), the Company will apply to ASX no later than seven (7) days from lodgement of this Prospectus to have the Shares to be issued pursuant to this Prospectus quoted on the Official List.

If approval for quotation of the Shares on the Official List is not granted within three (3) months after the date of this Prospectus, the Company will not issue any Securities, and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC, or any of their respective officers, take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Securities issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Securities.

2.9 CHESS and Issuer Sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of Shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment under this Prospectus. Holding statements will be sent either by CHESS (for security holders who elect to hold securities on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their securities on the issuer sponsored sub-register). The statements will set out the number of securities allotted under this Prospectus and the holder identification number (for security holders who elect to hold shares on the CHESS sub register) or security holder reference number (for security holders who elect to hold their securities on the issuer sponsored sub-register).

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Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes and as required by the Listing Rules and the Corporations Act.

2.10 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of securities in any jurisdiction outside Australia. It is the responsibility of any non-Australian resident investors to obtain all necessary approvals for the issue to them of securities offered pursuant to this Prospectus.

2.11 Privacy Disclosure

Persons who apply for securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for securities, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, Applications for securities will not be processed. In accordance with privacy laws, information collected in relation to specific security holders can be obtained by that security holder through contacting the Company or the Share Registry.

2.12 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or financial projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

2.13 Commissions Payable

The Company reserves the right to pay a commission of 5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

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3. COMPANY OVERVIEW

3.1 Company Background

(a) **History**

First Growth Funds, prior to being placed into Administration in July 2011, managed three key investments in carbon credits, telephony and video cards, in keeping with its history of managing interests in a range of investment activities.

Prior to Administration, FGF had existed throughout its life as a Listed Investment Company ("**LIC**"), a Company listed on the Stock Exchange to provide investors with exposure to a professionally managed and diversified portfolio of assets.

The Company was incorporated on 14 October 1986 and subsequently admitted to the ASX on 19 December 1986 under the name 'Second Board Pacific Limited'.

On 29 August 1991 the Company changed its name to 'Greenchip Investments Limited' with the stated intent of investing in a diversified portfolio of "green chip" companies. The management at the time defined a "green chip" (as opposed to a "blue chip" company) as any stock with a market capitalisation of less than $285 million.

Between 1991 and 2000, the Company was an active investor in both listed and unlisted companies, focusing mainly in the industrial sector but also often investing in mining companies. Its key focus during this time was in the emerging internet/electronic commerce sectors. It tended to be a passive investor, taking minority interests and assisting with Board and management as required.

On 7 February 2000 the Company changed its name to 'M2M Corporation Limited' as the Company's investment portfolio at that time was in specific technologies in the business-to-business electronic commerce sector. However, the Company continued to invest in businesses that utilised its technology which included the mining, agrifood and agribusiness sectors.

On the 29th October 2004 the Company announced its intent to acquire a 25.1% stake in Digital Voodoo through investing $600,000 in that Company. The funds to invest in Voodoo were provided by a share placement at $0.007 per share in m2m to raise $1.0M. Both the acquisition and placement were subject to shareholder approval, which was duly sought and received.

On the 23rd December 2004 the Company announced to the ASX that it would complete the acquisition of its 25.1% interest in Digital Voodoo on 31 December 2004.

Digital Voodoo designs, develops and markets a range of standard definition and high definition video cards and compression technology for use in the digital content creation and broadcast industries.

Digital Voodoo changed its name to Bluefish Technologies Pty Limited ("Bluefish") during 2006, and continues to operate under that name and in the digital video card business – a business estimated at ~ US$10Bn per annum and growing at a rate of ~ 8% to 10% per annum. FGF has retained and increased its interest in Bluefish since its initial investment at the end of 2004. FGF, at the time it was placed in Administration, owned 33.4% of Bluefish.

Through transactions entered into by the Administrator the equity interest in Bluefish has diluted to 24.54% as a result of a debt to equity swap by existing debt holders, together with a significant investor acquiring an interest in Bluefish. The Company's interest in Bluefish survives the administration and there is more specific information below.

The Company continued to dominantly invest and operate in the electronics commerce sector.

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(b) **Administration Background**

On 17 July 2011, FGF was placed into voluntary administration and Mr Michael Basedow of Pitcher Partners was appointed as the Company's administrator (Administrator). The securities of the Company were subsequently suspended from trading on the Official List of the ASX.

A syndicate led by Trident Capital Pty Ltd (Trident or the Proponent) proposed a deed of company arrangement (DOCA) to deal with the claims of creditors and the DOCA was approved by creditors on 30 January 2012 and executed on 20 February 2012 and the Administrator was appointed the administrator of the DOCA (Deed Administrator).

The proposal was then put to shareholders and approved at a general meeting held on 1 October 2012.

Due to prevailing market conditions following that Meeting, the Company was unable to raise sufficient funds to meet the terms of its original proposal.

A further recapitalisation proposal was put to Shareholders, and approved by them, on 24 October 2013. That recapitalisation proposal was reliant upon a third party who had contracted to provide the required capital under the Terms and Conditions put to shareholders. The proposal was terminated in early May as a result of that party's failure to perform.

However, the proposal did raise additional capital for the Company such that the Company was able to effectuate the DOCA by making an agreed payment to the Creditors. The DOCA was effectuated on 21 October 2013. This resulted in the Deed Administrator retiring and the Company being returned to the control of the Shareholders and their representatives, the Board.

The associated Reconstruction Deed expired on December 31 2013.

(c) **Summary of the Recapitalisation Proposal**

On 15 May 2014 the Company and Peloton Capital entered into an agreement which embodied a proposal by Peloton Capital for the recapitalisation of the Company (Recapitalisation Proposal).

A summary of the Recapitalisation Proposal is set out below:

(i) An issue of 32,400,000 Shares at an issue price of $0.005 to raise $162,000 to client of Peloton Capital (Peloton Raising). As announced on 28 May 2014, these Shares were issued and the funds raised were used to repay some outstanding creditors and as general working capital to further advance the Company's plans for recapitalisation and reinstatement to trading on the ASX.

(ii) The following issues of Securities:

(A) 32,400,000 Series A New Options to the clients of Peloton Capital who participated in the previous Peloton Raising, being one Series A New Option for every Share issued under the Peloton Raising These Securities are being offered under the Peloton Series A New Option Offer.

(B) a capital raising to be undertaken by the Company as follows:

(C) up to 300,000,000 Shares at a price of $0.01 per Share to raise up to $3,000,000, together with one free attaching Series B New Option for

every one Share issued. These Securities are being offered under the Public Offer.

(D) up to 18,000,000 Shares at an issue price of $0.0001 and 18,000,000 free attaching Series B New Option for every one Share issued to Geoff Barnes, Athan Lekkas and Joe Calabria. These Securities were issued after Shareholder approval obtained at the General Meeting.

(E) up to 27,000,000 Shares at an issue price of $0.0001, together with one free attaching Series B New Option for every one Share issued to *Peloton* Capital (or its nominee). 10,000,000 Shares and 10,000,000 Series B New Options were issued after Shareholder approval obtained at the General Meeting. The remaining 17,000,000 Shares and 17,000,000 Series B New Options are being offered under the Incentive Offer.

(F) 5,000,000 Series A New Options issued to Transocean Securities Pty Ltd as part of a fee previously agreed for the provision of Transocean's Australian Financial Services Licence. These Securities are being offered under the Transocean Offer.

(G) a total of 136,170,316 Series A New Options to be issued to existing shareholder groups as follows:

(1) 23,170,316 to Legacy Shareholders;

(2) 30,000,000 to Proponent Shareholders; and

(3) 83,000,000 to 2013 Shareholders.

These Securities are being offered under the Existing Shareholder Offer.

(iii) Up to 75,000,000 Series B New Options to be issued to Peloton Capital Pty Ltd (or its nominees). These Securities are being offered under the peloton Series B New Option Offer.

(iv) A capital raising fee of 6% of funds raised under the Public Offer (up to $180,000 assuming full subscription under the Public Offer) will be paid to any licensed securities brokers involved in the raising.

(v) FGF will retain all of its assets and main business undertaking.

(vi) It is intended that the existing Board of Directors will remain post-reinstatement.

(vii) After the Recapitalisation is complete the Company will be debt free.

The Company's Director, Geoff Barnes, is a director and shareholder of Peloton Capital and accordingly Peloton Capital is a related party of the Company.

The intended use of funds and the Company's future strategy remain the same. Furthermore, the Company's main business undertaking and assets remain unchanged.

Completion of the Recapitalisation Proposal will provide working capital to allow the Company to continue its existing activities and to pursue new projects by way of acquisition or investment. Subject to the satisfaction of certain conditions imposed by the ASX, FGF will then be in a position to have its Securities reinstated to trading on the Official List of the ASX.

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3.2 Future Business Plans

(a) **Retained Assets**

On the completion of the recapitalisation of the Company, the Company will retain the following assets:

- its 24.54% shareholding interest in Bluefish; and
- its status on the ASX as a Listed Investment Company.

The potential of Bluefish is discussed in more detail below. However the Company's key plan is to continue as a LIC, and to seek additional investment opportunities in a variety of asset classes, be they in listed or unlisted companies, in which it either believes they are significantly undervalued, or where it believes it can add value through investment and management expertise.

(b) **Bluefish Shareholding**

At the date of the Appointment of the Administrator, FGF held 68,192,759 shares in Bluefish and had advanced secured funds totalling approximately $530,000 to Bluefish.

The Administrator, in his report to Creditors of 19 January 2012, deemed the realisation of the asset at a reasonable value unlikely as:

- Bluefish was then trading unprofitably and in the event that it was required to liquidate its assets would be unlikely to raise sufficient funds to repay its creditors' in full;
- The Secured loan was part of a syndicated loan to Bluefish from FGF and other shareholders such that there was no provision whereby FGF may demand repayment of that loan;
- It would be difficult to identify a buyer for FGF's shareholding in that environment, having regard to Bluefish's trading history and debt;
- The existing shareholders enjoy pre-emptive rights over each other's shareholdings in Bluefish.

Prior to issuing the report the working capital requirements of Bluefish became critical and a proposal was put to all secured creditors of Bluefish to convert their secured debt to equity in order for Bluefish to seek and obtain a further injection of capital from a new investor.

All secured creditors of Bluefish agreed at this point and FGF was issued with a further 478,607,120 shares in Bluefish. As it had a larger proportion of secured debt relative to its equity interest at that point it increased its interest in Bluefish from 33.66% to 36.75%.

Bluefish, with the Administrators approval, then introduced a new cornerstone investor being VITEC Multimedia of France, a company with a long history in electronic media dating back to 1988. VITEC invested $250,000 for a 17% interest in Bluefish, with an option to move to 49% of Bluefish through the payment of a further $950,000 in certain tranches.

Since that initial $250,000 investment in Bluefish, VITEC have invested a further $250,000 in May of 2012 and $100,000 in July 2012. As a result of these investments FGF has retained its interest in 516,799,879 shares in Bluefish, which has been diluted to 24.54% of the issued capital of Bluefish. VITEC now hold 699,723,444 (33.23%) of Bluefish and have the right to acquire up to 49.95% of the Company.

The investment of VITEC attributes a value of $440,000 to the FGF shareholding in Bluefish.

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VITEC are seen as a valuable and significant equity partner in the Bluefish business and one that should assist the Company to increase and unlock the value of its Bluefish investment in the future.

FGF's interest in Bluefish has always been passive. That will not change into the future, with VITEC demonstrating its willingness to fund the Bluefish business plan by having exercised part of its option to increase its shareholding from 17% to 33% and particularly more so if it increases its interest to 49.95%.

The Directors of FGF intend to maintain a passive, but supportive, role in respect of Bluefish, and anticipate that VITEC will take the key funding role to assist Bluefish execute its business plan, particularly as it has the option to increase its shareholding to 49.95%.

The Company will be willing to provide financial support to Bluefish consistent with its shareholding if it is requested by Bluefish, if the investment requirement satisfies the Board of FGF and if FGF has the necessary resources to do so.

However, the Directors cannot guarantee what, if any, additional developmental support and funding VITEC will provide Bluefish other than as disclosed above, and that any support or funding provided will result in a benefit to the Company. Further, the Directors cannot accurately anticipate the funding that the Company may be required to provide Bluefish for working capital needs. Accordingly, there is no assurance that the Company will receive any return on this investment.

(c) **Listed Investment Company ("LIC")**

LICs provide investors with exposure to an ASX traded entity with a professionally managed and diversified portfolio of assets. These assets may include Australian shares, international shares, fixed income securities, property, with some funds offering 'packaged strategies'.

An investor's exposure is very similar to a traditional managed fund. On recapitalisation and reinstatement to trading, FGF will continue to seek investment opportunities and to invest in businesses and equities in accordance with its long term business model as a LIC. The Company through the re-capitalisation process will have enough capital to achieve these outcomes.

Its specific plan is to seek small investments, not greater than $500,000, in unlisted entities that it deems have significant upside and have the potential to be listed. As such it proposes to act as an incubator for small companies that can then be taken to a Stock Exchange Listing, and then to support those companies post Stock Exchange Listing.

The analysis undertaken by FGF typically will include:

- an assessment of the past and projected revenue, costs and profits of the company;
- the nature of the assets of the business and the appropriateness of assigned values;
- the mix between tangible and intangible assets;
- the cash flow profile of the business;
- the present value of the anticipated cash flow;
- the projected earnings and cash flow per share;
- an assessment of various parameters to determine an appropriate value, including rate of return on equity employed, price to earnings ratio, price to book value and the internal rate of return over the short, medium and long term;

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- the amount of capital expenditure required (if any); and
- an assessment of the management team in place and its ability to deliver on the company's objectives.

After completing the above analysis, a set of recommendations are considered by the Board in the context of the overall equity environment. The Board will then review the Company's current portfolio in light of the information presented to it and adjust holdings in the portfolio to ensure the targeted performance is achieved.

The Company, via its arrangement with Peloton Capital Pty Ltd as an Australian Financial Services Licence holder, may invest in the following types of investments:

- listed securities;
- unlisted securities;
- alternative investments;
- rights to subscribe for or convert to unlisted securities (whether or not such rights are tradeable on a securities exchange);
- warrants or options to purchase any investment and warrants or options to sell any investment;
- discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;
- debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or any Australian government authority, or, if authorised by its Directors, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- units or other interest in cash management trusts; and
- any other investment, or investment of a particular kind, approved by the Board in writing.

The recent history of FGF as an investment company has seen it investing predominantly in unlisted technology based startup companies, though with a wide array of operational interests, such as e commerce, telephony, carbon and digital video.

FGF into the future does not intend to limit its investments to any one sector.

The key investment criteria are whether or not the investment presented is of a suitable scale, and quality that it is likely to achieve a significant increase in value for the shareholders of FGF.

It is the intent of the Board to appoint an Investment Manager once the Company has been reinstated to trading.

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(d) **Secured Creditor**

At the date of being placed under Administration, the Company was indebted to the Secured Creditor, as accepted by the Administrator, in the amount of $1,371,884.82. Pursuant to the terms of the DOCA and the Reconstruction Deed, and following shareholder approval, the Secured Creditor agreed to the following arrangement in respect of this debt:

- The Secured Creditor would discharge and release its registered fixed and floating charge (ASIC registration number 1586961) over the Company's assets.
- In substitution for the above fixed and floating charge, the Company was to:
    - Issue the Secured Creditor or nominees 50 million shares in FGF; and
    - grant the Secured Creditor a security interest in the Bluefish shares held by the Company as collateral for repayment of the moneys owed to the Secured Creditor, limited to $800,000 ("Security Interest") as well as 50% of any proceeds from the Bluefish shares over and above the $800,000 (see below). Importantly, the Security Interest does not encumber the other assets of the Company other than the Bluefish shareholding and the Secured Creditor has no rights to any other asset of the Company.
- Any dividends paid, or any other fee, consideration or other amount received from or in respect of Bluefish, including any sale consideration received by the Company arising from a sale of Bluefish shares, are to be paid to the Secured Creditor as follows:
    - up to the amount of $800,000 after which the Secured Creditor must deregister the Security Interest; and
    - 50% of any further value received by FGF for the sale. For example if a sale was achieved of $1.0 million for the FGF interest in Bluefish, then the Secured Creditor would receive $800,000 plus 50% of $200,000 for a total of $900,000. The remaining $100,000 would be received by the Company.
- There is no requirement for the Company to contemplate selling its interest in Bluefish for an initial period of 9 months from Reinstatement.
- After a period of 9 months from Reinstatement, the Secured Creditor may compel the Company to either sell its Bluefish shares or pay to the Secured Creditor the balance of the amount secured by the Security Interest.
- If the Company does not sell, or is not able to sell, the Bluefish shares, and if the Company does not wish to pay the Secured Creditor the Security Interest, then the Company can transfer its interests in Bluefish to the Secured Creditor, subject to shareholder pre-emptive rights.
- The Secured Creditor must release the Company from all Claims other than in respect of its rights under the Security Interest.
- It is important to note that the Company's liability in respect of this asset is limited to the sale value of the Bluefish shares and to $800,000. If the shares are eventually sold for a lesser figure than the $800,000, with approval of, or demand from, the Secured Creditor, then the Company will have no further liability to the Secured Creditor.

As such, the Company's principal asset (i.e. Bluefish shares) following recapitalisation will be subject to a registered security and the Company may eventually be required to liquidate that asset (or chose to pay the sum of $800,000) on demand by the Secured Creditor. Accordingly, the Company's tenure over the Bluefish shares is not absolute and

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the Company will not receive dividends or other distributions from those shares until it has repaid the $800,000 liability to the Secured Creditor.

To allow the Company to remove the Administrators and to be returned to control of shareholders and the Board, the Secured Creditor has relinquished its fixed and floating Charge over the assets of the Company, and now has specific security over the asset of the Bluefish shares.

3.3 Permitted Investments

The Board may invest in the following types of investments on behalf of the Company:

(a) securities, derivatives (including fully deliverable commodity or real property derivatives) and foreign exchange (including foreign exchange contracts that are settled immediately);

(b) rights to subscribe for or convert to securities, derivatives (including fully deliverable commodity or real property derivatives) and foreign exchange (including foreign exchange contracts that are settled immediately) whether or not such rights are tradeable on a securities exchange;

(c) securities, derivatives (including fully deliverable commodity or real property derivatives) and foreign exchange (including foreign exchange contracts that are settled immediately) for the purpose of short selling;

(d) warrants or options to purchase any investment and warrants or options to sell any investment permitted pursuant to the Board's approval as detailed above;

(e) discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by any corporation;

(f) deposits with any bank or corporation declared to be an authorised dealer in the short-term money market; and

(g) units or other interests in cash management trusts.

3.4 Risk Control

Performance of the investment transactions and diversification of holdings is used with the intention of limiting risk. Risk control features include:

- no one investment transaction, except as noted in clause (e) and (f) will represent more than 20% of the total Pre-Tax NAV at the time of acquisition;
- no investment, except as noted in clause (f), will represent more than a 20% stake in the issued securities of a company at the time of acquisition;
- total unlisted investment transactions at the time of acquisition of any of the unlisted investments cannot exceed 50% of the Pre-Tax NAV as measured by cost / Pre-Tax NAV;
- where suitable investments cannot be identified, the Company may be invested in cash. Whilst unlikely over the medium term, the Company may consist from time to time of significant cash deposits;
- there are no limitations on short positions; and
- gearing may be employed in the Portfolio, but total exposure will not exceed 3 times as measured by aggregate absolute mark-to-market value of all open investment transactions divided by the Pre-Tax NAV.

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The Board typically manages market risk by ensuring that any exposure will be established within predefined trading limits and marked to market with a full revaluation on a daily basis. Overall market risk limits are typically determined by reference to in-house Value-at-Risk (**VAR**) based calculations, which is a technique used to estimate the probability of portfolio losses based on the statistical analysis of historical portfolio performance and volatilities.

The Board plans to appoint a suitable investment manager once it has reinstated to trading on the ASX.

3.5 Investment Strategy

The Board's investment strategy is to invest in a combination of value and growth stocks both listed and unlisted, and managing the market risk and tax on those investments by hedging some of the market and commodity exposures in the resulting portfolio.

- A **value** stock means shares in a company that is considered to be trading at a low price relative to its fundamentals (dividends, earnings power, book value, or replacement value) and is therefore considered undervalued by the manager. Common characteristics of such stocks include a high dividend yield, low price-to-book ratio and/or low price-to-earnings ratio.

- A **growth** stock means shares in a company whose earnings are expected to grow at an above-average rate relative to the market. A growth stock often does not pay a dividend, as the company would prefer to reinvest retained earnings in capital projects.

The Board Members have, on a number of occasions, been an early investor in the pre-feasibility and often pre-IPO stages for Australian resources sector companies through opportunities such as rights issues, private placements, private equity and convertible notes.

A variety of investment strategies will be utilised by the Company, which may also change its investment strategies to take advantage of opportunities in other sectors outside of the commodities sector and the Australian resources sector.

3.6 Dividends

The Company intends to pay dividends from its retained earnings to the extent permitted by law and prudent business practice.

3.7 Returns and Future Performance

The Directors make no guarantees with respect to the Company's future performance.

Investors should also note that an investment in the Company is subject to a number of risk factors and that the market price of investments that the Company holds may fall as well as rise, for example due to market conditions, and accordingly this may impact on the Company's investment returns. These risk factors are set out in **Section 5**.

3.8 Forecasts

The Directors have considered ASIC Regulatory Guide 170 and do not believe that they have a reasonable basis to forecast future earnings of the Company as they are inherently uncertain. Accordingly, any forecast or projection would contain such a broad range of potential outcomes and possibilities that it is not possible to propose a reliable best estimate forecast or projection.

3.9 Performance Reporting

The Company will publish on its website, and release to the ASX as required, a statement of the Pre-Tax Net Asset Value and After-Tax NAV per Share as at the end of each month within fifteen (15) days of the end of the relevant month.

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4. INVESTIGATING ACCOUNTANT'S REPORT

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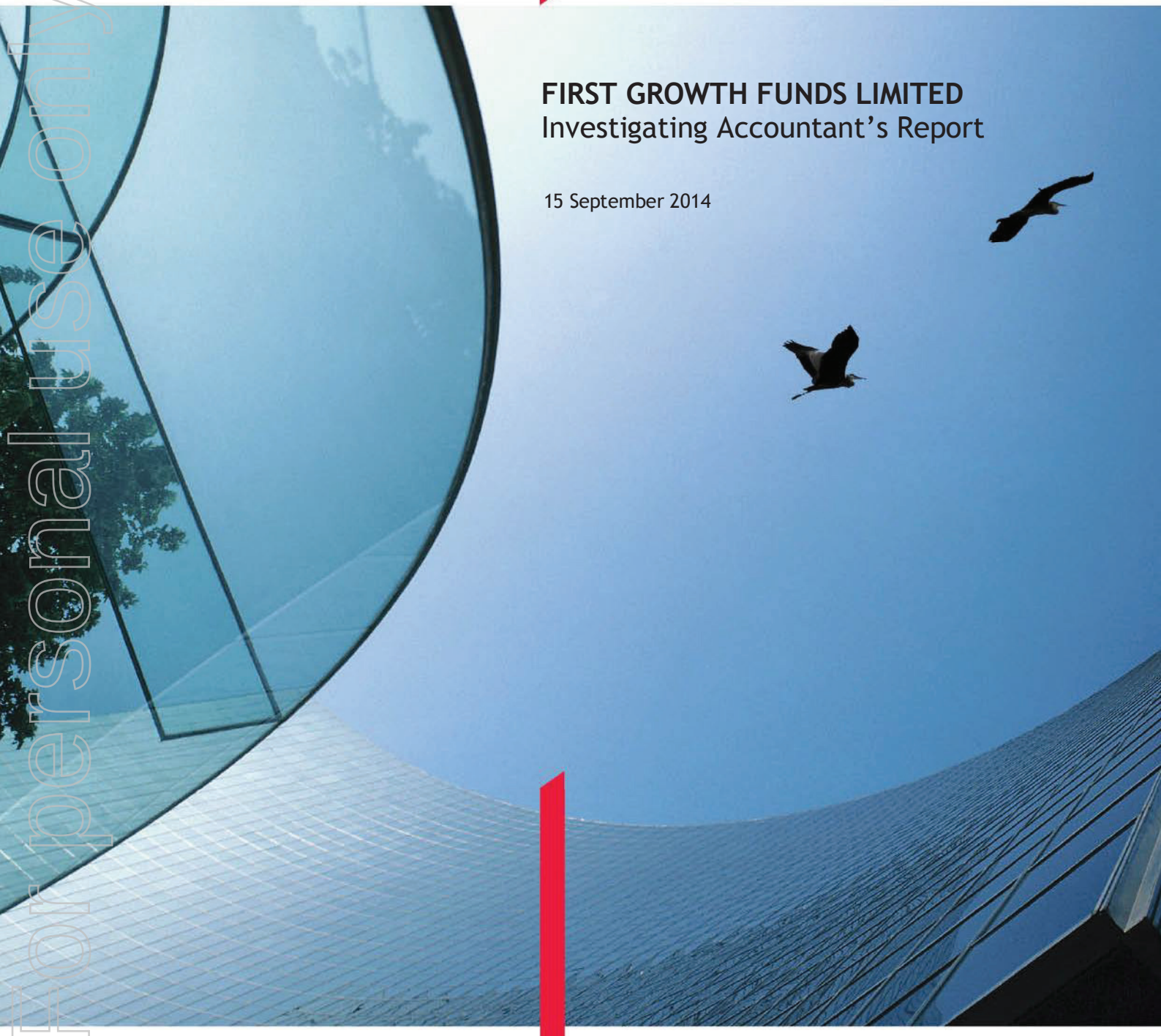

FIRST GROWTH FUNDS LIMITED
Investigating Accountant's Report

15 September 2014

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15 September 2014

The Directors
First Growth Funds Limited
Level 7, 420 King William Street
Adelaide SA 5000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have been engaged by First Growth Funds Limited (**'First Growth'** or **'the Company'**) to prepare this Investigating Accountant's Report (**'Report'**) on the historical financial information and pro forma historical financial information of First Growth for inclusion in the Prospectus. Broadly, the Prospectus is for the conditional offers of:

- Up to 300 million Shares at an issue price of $0.01 each to raise up to $3 million before costs (**'Public Offer'**). The Public Offer is subject to a minimum subscription amount of 150 million Shares to raise $1.5 million before costs. Each share will include an attaching Series B New Option;
- 136,170,316 free Series A New Options to be issued to Existing Shareholders. These options will be issued as follows;
    - 23,170,316 to Legacy Shareholders;
    - 30,000,000 to Proponent Shareholders; and
    - 83,000,000 to 2013 Shareholders.
- 32,400,000 free Series A New Options to Peloton Capital Pty Ltd (**'Peloton Capital'**) or their nominees;
- 5,000,000 free Series A New Options to Transocean Securities Pty Ltd (**'Transocean'**) or their nominees;
- Up to 17,000,000 Shares at an issue price of $0.0001 together with one free attaching Series B New Option for every Share issued to Peloton Capital, or their nominees, to raise up to $1,700 (**'Incentive Offer'**); and
- Up to 75,000,000 free Series B New Options to be issued to Peloton Capital, or their nominees.

The Series A New Options to be issued have an exercise price of $0.008 each and expire 12 months following the date of reinstatement of the Company to the Australian Securities

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Exchange (**'ASX'**). The Series B New Options to be issued have an exercise price of $0.02 each and expire 3 years following the date of reinstatement of the Company to the ASX.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158).

2. Scope

Historical financial information

You have requested BDO to review the following historical financial information of First Growth included in the Prospectus:

- The Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2014;
- The Statement of Financial Position as at 30 June 2014; and
- The Statement of Changes in Equity for the year ended 30 June 2014.

(collectively the '**historical financial information**').

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and First Growth's adopted accounting policies. The historical financial information has been reviewed by BDO East Coast Partnership in accordance with the Australian Auditing Standards. BDO East Coast Partnership issued a modified opinion on the historical financial information.

The historical financial information is presented in the Appendices to this report in an abbreviated form, in so far as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma historical financial information

You have requested BDO to review the pro forma historical statement of financial position as at 30 June 2014 for First Growth referred to as the 'pro forma historical financial information'

The pro forma historical financial information has been derived from the historical financial information of First Growth, after adjusting for the effects of any subsequent events described in section 7 and the pro forma adjustments described in section 8. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 and section 8, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

3. Background

First Growth was placed into voluntary administration on 17 July 2011 and its securities were subsequently suspended from trading on the ASX. A syndicate led by Trident Capital Pty Ltd proposed a deed of company arrangement (**'DOCA'**) to deal with the claims of creditors, which was executed on 20 February 2012. The proposal was put to shareholders and approved but as a

result of market conditions following its approval the Company was unable to raise sufficient funds to meet the terms of its original proposal.

A further recapitalisation proposal was put to shareholders and approved in October 2013. The recapitalisation was reliant upon a third party who had contracted to provide the required capital under the terms and conditions put to shareholders. The proposal was terminated in May 2014 as a result of that party's failure to perform. However, the proposal did raise additional capital for the Company such that the Company was able to effectuate the DOCA by making an agreed payment to creditors. This resulted in the Deed Administrator retiring and the Company being returned to the control of shareholders and the Board.

On 15 May 2014, the Company and Peloton Capital entered into an agreement for the recapitalisation of the Company (**'Recapitalisation Proposal'**).

Key terms of the Recapitalisation Proposal are as follows:

i. The Company has recently issued 32,400,000 Shares at an issue price of $0.005 to raise $162,000. The funds have been used to repay creditors and for working capital purposes;

ii. The Company received shareholder approval on 30 July 2014 to proceed with the following issues of securities:

   A. 32,400,000 Series A New Options to the clients of Peloton Capital who participated in the previous Peloton raising;

   B. A capital raising to be undertaken by the Company pursuant to this Prospectus;

   C. Up to 300,000,000 Shares at an issue price of $0.01 per Share to raise up to $3,000,000, together with one free attaching Series B New Option for every one Share issued pursuant to the Public Offer;

   D. The issue of up to 18,000,000 Shares at an issue price of $0.0001 per Share, together with one free attaching Series B New Option for every one Share issued to Geoff Barnes, Athan Lekkas and Joe Calabria or their nominees. These securities were issued after Shareholder approval was obtained in July 2014;

   E. The issue of up to 27,000,000 Shares at an issue price of $0.0001 per Share, together with one free attaching Series B New Option for every one Share issued to be issued to Peloton Capital or their nominees. 10,000,000 Shares and 10,000,000 Series B New Options were issued after Shareholder approval was obtained in July 2014. The remaining 17,000,000 Shares and 17,000,000 Series B New Options are being offered under the Incentive Offer;

   F. 5,000,000 Series A New Options issued to Transocean as part of a fee previously agreed for the provision of Transocean's Australian Financial Services Licence (**'AFSL'**);

   G. A total of 136,170,316 Series A New Options to be issued to existing shareholder groups as follows:

      1. 23,170,316 options to Legacy Shareholders;

      2. 30,000,000 options to Proponent Shareholders; and

      3. 83,000,000 to 2013 Shareholders.

iii. Up to 75,000,000 Series B New Options to be issued to Peloton Capital or their nominees;

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iv. A capital raising fee of 6% of the funds raised under the Public Offer will be paid;

v. First Growth will retain all of its assets and main business undertaking;

vi. It is currently intended that the existing Board of Directors will remain post-reinstatement; and

vii. After the Recapitalisation Proposal is complete, the Company will be debt free.

On completion of the Recapitalisation Proposal, the Company will retain its status on the ASX as a listed investment company and a 24.54% shareholding interest in Bluefish Technologies Pty Ltd (**'Bluefish'**) which operates in the digital video card business. The Company plans to retain its interest in Bluefish, and continue to operate as a listed investment company, seeking additional investment opportunities in a variety of asset classes.

4. Director's responsibility

The directors of First Growth are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

5. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

6. Conclusion

Historical financial information

A qualified opinion was issued in relation to the historical financial information as at 30 June 2014 on the basis that the recoverability of the equity accounted investment in associate is dependent on the Company's ability to realise the amount through sale of its investment or through the associate's ability to generate sufficient cash flows in subsequent financial periods. Under *AASB 136 Impairment of Assets,* the Company has been unable to provide sufficient reliable evidence that the carrying value of the investment is recoverable by sale of the investment. In addition, the results of the associate have not been subject to review nor audit and therefore BDO East Coast Partnership is unable to conclude on the carrying value of the investment in associate recorded on the consolidated statement of financial position.

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Based on our review, which was not an audit, with the exception of the matters described in the preceding paragraph, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly, in all material aspects, the financial performance for the year ended 30 June 2014 or the financial position as at 30 June 2014 in accordance with the stated basis of preparation as described in section 2.

Pro-forma historical financial information

As at 30 June 2014, a qualified opinion was issued on the basis that the Company has been unable to provide sufficient reliable evidence that the carrying value of the equity accounted investment in associate is recoverable by sale of the investment. Therefore, a qualified opinion would also be issued to the Company for the pro-forma historical financial information as at 30 June 2014.

Based on our review, which is not an audit, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the pro forma historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 2.

7. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 June 2014:

- Following Shareholder approval at a General Meeting held on 30 July 2014, the Company issued 18,000,000 shares at an issue price of $0.0001 together with one free attaching Series B New Option for every one Share issued to Geoff Barnes, Athan Lekkas and Joe Calabria or their nominees. We consider that the deemed issue price of these securities is $0.01 per share which is the Public Offer issue price. The Company received $1,800, therefore an amount of $178,200 is considered a share based payment; and
- Following Shareholder approval at a General Meeting held on 30 July 2014, the Company issued 10,000,000 shares at an issue price of $0.0001 together with one free attaching Series B New Option for every one Share issued to Peloton Capital or their nominees. We consider that the deemed issue price of these securities is $0.01 per share which is the Public Offer issue price. The Company received $1,000, therefore an amount of $99,000 is considered a share based payment.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

8. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 30 June 2014, the subsequent events set out in section 7, and the following transactions and events relating to the issue of Shares under this Prospectus:

- Pursuant to the Public Offer, the issue of 300 million Shares at an offer price of $0.01 each to raise $3 million before costs based on the full subscription or 150 million Shares

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at an offer price of $0.01 each to raise $1.5 million before costs based on the minimum subscription;

- Costs of the Recapitalisation Proposal and Prospectus are estimated to be $280,000 based on the minimum subscription and $370,000 based on the full subscription, which are to be offset against contributed equity;
- The Company will issue of 23,170,316 Series A New Options to Legacy Shareholders, 30,000,000 to Proponent Shareholders, 83,000,000 to 2013 Shareholders. All these Series A New Options were issued to these shareholders in their capacity as shareholders and therefore they are not considered to be a share based payment;
- The Company will issue 32,400,000 Series A New Options to nominees of Peloton Capital who participated in the May 2014 capital raising. These options have been issued to these shareholders in their capacity as shareholders and therefore they are not considered to be a share based payment;
- The Company will issue 5,000,000 Series A New Options to Transocean as part of its fee for the provision of its AFSL. These options have been issued as a fee for the provision of a service and have been valued at $20,720;
- Pursuant to the Incentive Offer, the issue of 17,000,000 shares at an issue price of $0.0001 together with one free attaching Series B New Option for every one Share issued to Peloton Capital or their nominees. We consider that the deemed issue price of these securities is $0.01 per share which is the Public Offer issue price. The Company received $1,700, therefore an amount of $168,300 is considered a share based payment; and
- The issue of up to 75,000,000 Series B New Options to Peloton Capital or its nominees, as part consideration for assistance in relation to the Recapitalisation Proposal. These options have been issued as a fee for the provision of a service and have been valued at $296,347. As the services provided were related to capital raising services they are to be offset against contributed equity.

9. Consent

BDO Corporate Finance (WA) Pty Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

10. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth. Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Peter Toll

Director

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APPENDIX 1

FIRST GROWTH FUNDS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the year ended 30-Jun-14 $
Interest income	174
Creditors forfeited on effectuation	1,086,867
Expenses	
ASX fees	(21,575)
Share registry services	(7,456)
Audit fees	(18,000)
Administrator fees	(12,660)
Legal fees	(32,556)
Other expenses	(24,722)
Profit before income tax expense	**970,072**
Income tax benefit/(expense)	-
Net operating profit for the year	**970,072**

This statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5. Past performance is not a guide to future performance.

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APPENDIX 2

FIRST GROWTH FUNDS LIMITED

STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed as at 30-Jun-14 $	Subsequent events $	Pro forma adjustments $1.5 million $	Pro forma adjustments $3 million $	Pro forma after Offer $1.5 million $	Pro forma after Offer $3 million $
CURRENT ASSETS							
Cash and cash equivalents	2	143,572	2,800	1,221,700	2,631,700	1,368,072	2,778,072
Trade and other receivables		21,708	-	-	-	21,708	21,708
Financial assets	6	300,459	-	-	-	300,459	300,459
TOTAL CURRENT ASSETS		465,739	2,800	1,221,700	2,631,700	1,690,239	3,100,239
TOTAL ASSETS		465,739	2,800	1,221,700	2,631,700	1,690,239	3,100,239
CURRENT LIABILITIES							
Trade and other payables		122,786	-	-	-	122,786	122,786
Borrowings	6	800,000	-	-	-	800,000	800,000
TOTAL CURRENT LIABILITIES		922,786	-	-	-	922,786	922,786
TOTAL LIABILITIES		922,786	-	-	-	922,786	922,786
NET ASSETS/(LIABILITIES)		**(457,047)**	**2,800**	**1,221,700**	**2,631,700**	**767,453**	**2,177,453**
EQUITY							
Contributed equity	3	53,125,154	280,000	1,093,653	2,503,653	54,498,807	55,908,807
Reserves	4	-	-	317,067	317,067	317,067	317,067
Accumulated losses	5	(53,582,201)	(277,200)	(189,020)	(189,020)	(54,048,421)	(54,048,421)
TOTAL EQUITY		**(457,047)**	**2,800**	**1,221,700**	**2,631,700**	**767,453**	**2,177,453**

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5.

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APPENDIX 3

FIRST GROWTH FUNDS LIMITED

STATEMENT OF CHANGES IN EQUITY

	Notes	Reviewed for the year ended 30-Jun-14 $	Subsequent events $	Pro forma adjustments $1.5 million $	Pro forma adjustments $3 million $	Pro forma after Offer $1.5 million $	Pro forma after Offer $3 million $
Balance as at 1 July 2013		(54,552,273)	-	-	-	(54,552,273)	(54,552,273)
Comprehensive income for the period							
Profit/(Loss) for the period	5	970,072	(277,200)	(189,020)	(189,020)	503,852	503,852
Total comprehensive income for the period		(53,582,201)	(277,200)	(189,020)	(189,020)	(54,048,421)	(54,048,421)
Transactions with equity holders in their capacity as equity holders							
Contributed equity, net of transaction costs	3	53,125,154	280,000	1,093,653	2,503,653	54,498,807	55,908,807
Reserves	4	-	-	317,067	317,067	317,067	317,067
Total transactions with equity holders		53,125,154	280,000	1,410,720	2,820,720	54,815,874	56,225,874
Balance as at 30 June 2014		**(457,047)**	**2,800**	**1,221,700**	**2,631,700**	**767,453**	**2,177,453**

The above statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5.

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APPENDIX 4

FIRST GROWTH FUNDS LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('**AIFRS**'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

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a) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b) Associates

Associates are entities over which the Company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Company’s share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

c) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

d) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

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A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

e) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

g) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

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

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j) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

k) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

l) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

m) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ('vesting date'). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

n) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

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Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

Recoverability of financial assets

The future recoverability of financial assets is dependent on the Company's ability to realise the amount through the sale of its investment or through the associate's ability to generate sufficient cash flows in subsequent financial periods. The directors believe the carrying value is recoverable by the sale of the investment.

	Reviewed	Pro-forma after Offer	
	30-Jun-14	$1.5 million	$3 million
NOTE 2. CASH AND CASH EQUIVALENTS	$	$	$
Cash and cash equivalents	143,572	1,368,072	2,778,072
Adjustments to arise at the pro-forma balance:			
Reviewed balance of First Growth at 30 June 2014		143,572	143,572
Subsequent events:			
Proceeds from shares issued to Directors		1,800	1,800
Proceeds from shares issued to Peloton Capital		1,000	1,000
		2,800	2,800
Pro-forma adjustments:			
Proceeds from shares issued pursuant to the Public Offer		1,500,000	3,000,000
Capital raising costs		(280,000)	(370,000)
Proceeds from shares issued pursuant to the Incentive Offer		1,700	1,700
		1,221,700	2,631,700
Pro-forma Balance		**1,368,072**	**2,778,072**

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NOTE 3. CONTRIBUTED EQUITY		Reviewed 30-Jun-14 $	Pro-forma after Offer $1.5 million $	$3 million $
Contributed equity		53,125,154	54,498,807	55,908,807
	Number of shares (min)	Number of shares (full)	$	$
Adjustments to arise at the pro-forma balance:				
Reviewed balance of First Growth at 30 June 2014	248,570,316	248,570,316	53,125,154	53,125,154
Subsequent events:				
Shares issued to Directors	18,000,000	18,000,000	180,000	180,000
Shares issued to Peloton Capital	10,000,000	10,000,000	100,000	100,000
	28,000,000	28,000,000	280,000	280,000
Pro-forma adjustments:				
Proceeds from shares issued pursuant to the Public Offer	150,000,000	300,000,000	1,500,000	3,000,000
Capital raising costs	-	-	(280,000)	(370,000)
Shares issued pursuant to the Incentive Offer	17,000,000	17,000,000	170,000	170,000
Issue of Series B New Options to Peloton Capital in consideration for capital raising services	-	-	(296,347)	(296,347)
	167,000,000	317,000,000	1,093,653	2,503,653
Pro-forma Balance	**443,570,316**	**593,570,316**	**54,498,807**	**55,908,807**

NOTE 4. RESERVES	Reviewed 30-Jun-14 $	Pro-forma after Offer $
Reserves	-	317,067
Adjustments to arise at the pro-forma balance:		
Reviewed balance of First Growth at 30 June 2014		-
Pro-forma adjustments:		
Options issued to Transocean for services performed		20,720
Issue of Series B New Options to Peloton Capital in consideration for capital raising services		296,347
		317,067
Pro-forma Balance		**317,067**

*Using the Black-Scholes option valuation methodology the fair value of the Options issued to Transocean and parties nominated by Peloton Capital has been calculated. The following inputs were used for the Options to be issued:

Input	Transocean Options	Peloton Capital Options
Number of options	5,000,000	75,000,000
Share price	$ 0.010	$ 0.010
Exercise price	$ 0.008	$ 0.020
Expected volatility	85%	85%
Expiry date	1 year	3 years
Expected dividends	-	-
Risk free rate	2.48%	2.58%

Options on issue	Series A	Series B
Options currently on issue	**-**	**28,000,000**
Options to be issued (based on full subscription):		
Options to be issued pursuant to the Public Offer	-	300,000,000
Options to be issued to Legacy, Proponent and 2013 Shareholders	136,170,316	-
Options to be issued to clients of Peloton Capital (or nominees)	32,400,000	-
Options to be issued attached to Incentive Shares	-	17,000,000
Options to be issued to Transocean	5,000,000	-
Options to be issued to clients of Peloton Capital (or nominees)	-	75,000,000
Total	**173,570,316**	**420,000,000**

Terms of Series A and Series B New Options	Series A Options	Series B Options
Share price	$ 0.010	$ 0.010
Exercise price	$ 0.008	$ 0.020
Expected volatility	85%	85%
Expiry date	1 year	3 years
Expected dividends	-	-
Risk free rate	2.48%	2.58%

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NOTE 5. ACCUMULATED LOSSES	Reviewed 30-Jun-14 $	Pro-forma after Offer $
Accumulated losses	(53,582,201)	(54,048,421)
Adjustments to arise at the pro-forma balance:		
Reviewed balance of First Growth at 30 June 2014		(53,582,201)
Subsequent events:		
Shares issued to Directors		(178,200)
Shares issued to Peloton Capital		(99,000)
		(277,200)
Pro-forma adjustments:		
Shares issued pursuant to the Incentive Shares		(168,300)
Options issued to Transocean for services performed		(20,720)
		(189,020)
Pro-forma Balance		**(54,048,421)**

NOTE 6: INVESTMENT IN ASSOCIATE AND SECURED CREDITOR

At the date the Company was placed under Administration, the Company was indebted to Noble Investments Superannuation Fund Pty Ltd as trustee for the Noble Investments Superannuation Fund (**'Secured Creditor'**), in the amount of $1,371,884.82. Pursuant to the terms of the DOCA and the Reconstruction Debt, the Secured Creditor agreed to certain arrangements in respect of this debt. One of these arrangements was that the Company would grant the Secured Creditor a security interest in the Bluefish Technologies Pty Ltd (**'Bluefish'**) shares held by the Company as collateral for repayment of the moneys owed to the Secured Creditor, limited to $800,000 (**'Security Interest'**) as well as 50% of any proceeds from the Bluefish shares over and above the $800,000. The Company therefore has a current obligation to repay $800,000 and this amount has been recorded as a liability in the statement of financial position as at 30 June 2014.

However, if the Company does not sell, or is not able to sell, the Bluefish shares, and if the Company does not wish to pay the Secured Creditor the $800,000, then the Company can transfer its interests in Bluefish to the Secured Creditor, subject to shareholder pre-emptive rights. The Company's liability in respect of this asset is therefore limited to the sale value of the Bluefish shares and to $800,000. If the shares are eventually sold for a lesser figure than the $800,000, with approval of, or demand from, the Secured Creditor, then the Company will have no further liability to the Secured Creditor.

Therefore, if the Bluefish shares were sold for their current carrying value as at 30 June 2014 of $300,459 (as accounted for using the equity method), the Company would only be liable to pay the Secured Creditor $300,459 and any further liability would be extinguished.

The full terms regarding the investment in Bluefish and the Secured Creditor can be found in Section 3.2 of the Prospectus.

NOTE 7: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 8: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

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APPENDIX 5

FIRST GROWTH FUNDS LIMITED

HISTORICAL FINANCIAL INFORMATION

Historical Statements of Profit or Loss and Other Comprehensive Income	Reviewed for the year ended 30-Jun-13 $	Reviewed for the year ended 30-Jun-12 $
Interest income	217	30,315
Expenses		
Gain on sale of subsidiary debts	-	340,000
Gain on sale of subsidiary companies	-	4
Secretarial costs	(38,672)	-
Share Registry Services	(17,664)	-
Audit fees	(18,000)	(15,000)
Professional fees	(78,659)	-
Administrator fees	(55,770)	(205,295)
Legal fees	(48,989)	(99,346)
Equity accounted loss	(60,107)	(123,685)
Impairment of equity accounted investment	-	(279,125)
Salary and wages	-	(12,899)
Additional advances to controlled entities	-	(97,101)
Other expenses	(7,534)	(27,972)
Loss before income tax expense	**(325,178)**	**(490,104)**
Income tax benefit/(expense)	-	-
Net Loss for the period	**(325,178)**	**(490,104)**

Historical Statements of Financial Position	Reviewed as at 30-Jun-13 $	Reviewed as at 30-Jun-12 $
CURRENT ASSETS		
Cash and cash equivalents	16,997	3,770
Trade and other receivables	12,512	2,096
Financial assets	300,455	360,562
TOTAL CURRENT ASSETS	329,964	366,428
TOTAL ASSETS	329,964	366,428
CURRENT LIABILITIES		
Trade and other payables	1,552,203	1,572,555
Borrowings	1,031,881	1,031,881
TOTAL CURRENT LIABILITIES	2,584,084	2,604,436
TOTAL LIABILITIES	2,584,084	2,604,436
NET ASSETS/(LIABILITIES)	**(2,254,120)**	**(2,238,008)**
EQUITY		
Contributed equity	52,298,154	51,989,087
Accumulated losses	(54,552,274)	(54,227,095)
TOTAL EQUITY	**(2,254,120)**	**(2,238,008)**

5. RISK FACTORS

There are numerous risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business.

This section identifies areas the Directors regard as major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending applicants should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to subscribe for securities pursuant to this Prospectus.

Investors should be aware that there are risks associated with any share investment. The value of the Shares may be above or below the issue price under this Prospectus. The securities allotted under this Prospectus carry no guarantee in respect of profitability, dividends or return of capital.

The securities offered under this Prospectus should be regarded as speculative and investors should be aware that they may lose some or all of their investment. Investors should consider whether the securities offered under this Prospectus are a suitable investment having regard to their own individual investment objectives, financial circumstances and the risk factors set out below. This list is not exhaustive and, if in any doubt, investors should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

5.1 Specific Risks

(a) **Security Interest over Bluefish Shares**

As set out in **Section 3.2**, the Company's shares in Bluefish are subject to a registered Security Interest in favour of the Secured Creditor. Further, the Company may be required to liquidate those shares following 9 months of Reinstatement at the Secured Creditor's discretion.

Accordingly, the is a risk that the Company may lose the benefit of its Bluefish shares if those shares are liquidated as a result of the Security Interest becoming enforceable. This would result in the Company losing its principal asset at the time of reinstatement and may have an adverse affect of the Company's ability to generate revenue, as well as any investment made by an investor under an Offer.

(b) **Financial Reporting Risks**

On 17 July 2011 the Company was placed into administration and on 18 July 2011 the securities of the Company were suspended from quotation on the Official List. The Company did not comply with its financial reporting obligations immediately prior to, and during the period of, its administration. The Company is in the process of preparing the half-year financial reports for 30 June 2011, 31 December 2011, 30 June 2012 and 31 December 2012. The Company will lodge these with ASIC once completed and will not be able to reinstate to trading on the ASX until such stage as it has lodged them.

This failure to lodge the financial reports means that the Company is in breach of its financial reporting requirements under Chapter 2M of the Corporations Act. Shareholders should be aware that this breach may attract liability and/or effect the Company's operations going forward and may affect the Company's ability to be reinstated to the ASX. The costs of preparing the accounts are included within the Use of Proceeds table in **Section 1.5**. The Company has engaged BDO Corporate Finance (WA) Pty Ltd to provide an Investigating Accountant's Report (please refer to **Section 4**) which sets out the Company's pro-forma balance sheet as at 30 June 2014 prior to the changes to be implemented as a result of the shareholder's meeting.

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(c) **Investments by the Company**

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. 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.

(d) **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 agreements 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.

(e) **Lack of Executive Management**

The Company's management currently consists of four 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 substantially on 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 employment.

(f) **Restricted Securities**

Subject to the Company being reinstated to trading on the Official List of the ASX, certain securities to be issued as part of the Recapitalisation Proposal may be classified by ASX as restricted securities and could be required to be held in escrow for up to 24 months from the date of reinstatement to Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

(g) **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.

(h) **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.

(i) **Interests 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.

(j) **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.

(k) **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.

(l) **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.

5.2 General Risks

(a) **Economic and Government Risks**

The future viability of the Company is also dependent on a number of other factors which may affect the performance of all industries, including, but not limited to, the following:

- general economic conditions in Australia and its major trading partners;
- changes in Government policies, taxation and other laws;

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- the strength of the equity and share markets in Australia and throughout the world;
- movement in, or outlook on, exchange rates, interest rates and inflation rates;
- natural disasters, social upheaval or war in Australia or overseas; and
- other factors beyond the control of the Company.

(b) **Insurance Risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(c) **Future Capital Needs**

Further funding of potential investments may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

If the Company fails to obtain adequate funds when needed the Company may:

- cease some or all of its business activities;
- be forced to sell its assets; and
- reduce or cease operations.

(d) **Share Market**

A number of factors affect the performance of share market investments that could also affect the price at which the Shares trade on the ASX. The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These factors may materially affect the market price of the Company's securities regardless of the Company's operational performance.

Share market conditions are affected by many factors including but not limited to the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- change in Government macro fiscal policies;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

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(e) **Liquidity**

There is no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any particular time.

(f) **Competition Risk**

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's investments.

(g) **Investments in the Company**

The Shares to be issued pursuant to this Prospectus should be considered speculative. They do not carry any guarantee as to the payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price which was paid by the investor for the Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

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6. MATERIAL CONTRACTS

6.1 Summary of Material Contracts

Set out below is a summary of the material contracts to which the Company is a party that may be material in terms of the Offers, for the operation of the business of the Company, or otherwise may be relevant to a potential investor in the Company ("**Material Contracts**").

The whole of the provisions of the Material Contracts are not repeated in this Prospectus and any intending investor who wishes to gain a full knowledge of the content of the Material Contracts should inspect the same at the registered office of the Company.

6.2 Arrangement with Peloton Capital Pty Ltd

The Company entered into an AFSL Intermediary Arrangement on Friday, 12 September 2014 with Peloton Capital. As a Listed Investment Company, the Company required an AFSL in order to offer Securities to the Public.

The key material terms of that arrangement are as follows:

(a) Peloton Cap[ital is the holder of AFSL 406040 with the appropriate authorisations to issue shares to both retail and wholesale investors.

(b) FGF has appointed Peloton to make offers to both retail and wholesale investors pursuant to the Prospectus Offer.

(c) The Offers will be subject to the usual requirements of such offers in accordance with Section 911A of the Corporations Act 2001.

(d) FGF will pay Peloton a fee of 1% of capital raised in the Public Offer.

The Company's Director, Geoff Barnes, is a director and shareholder of Peloton Capital and accordingly Peloton Capital is a related party of the Company.

The Company confirms that all arrangements with Peloton Capital, were reached as part of the Recapitialisation Proposal which was negotiated on an arm's length basis.

6.3 The Bluefish Security Deed

A Security Deed has been entered into and registered with the Secured Creditor, providing the Secured Creditor with specific security over the Bluefish shares, being 516,799,879 fully paid ordinary shares in the capital of Bluefish.

For further details on the Bluefish Security Deed please refer to **Section 3.2 (d)** of the Prospectus.

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7. ADDITIONAL INFORMATION

7.1 Company Information

The Company was incorporated on 14 October 1986 and was admitted to the Official List of the ASX on 19 December 1986. The Company's Shares were suspended from trading on the ASX on 18 July 2011 at the request of the Company.

7.2 Rights attaching to Shares

Shares issued pursuant to the Offers will rank equally with all other fully paid ordinary shares on issue.

The rights attaching to the Shares are set out in the Constitution of the Company. A broad summary (although not an exhaustive or definitive statement) of the rights attaching to the Shares are outlined below.

(a) **Ranking of Shares**

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with Post Consolidation Shares.

(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 equivalent 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) **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.

(e) **Future Increase in Capital**

The allotment and issue of any Shares is under the control of the Directors. Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Directors may issue shares on such terms and conditions as they determine.

(f) **Transfer of Shares**

Subject to the Constitution of the Company, 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.

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

- the Listing Rules permit the Company to do so;
- the Listing Rules require the Company to do so; or
- 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) **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.

(h) **Rights on Winding Up**

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

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

(i) **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:

- notwithstanding anything contained in the Company's constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- nothing contained in the Company's constitution prevents an act being done that the Listing Rules require to be done;
- 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);
- 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;
- 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
- 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 the inconsistency.

7.3 Terms of Series A New Options

The terms and conditions of the Series A New Options to be issued under this Prospectus are as follows:

(a) Each Series A New Option entitles the holder (**Option Holder**) to subscribe for a Share in the Company at the exercise price of $0.008 per Share.

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(b) The Series A New Options will expire at 5.00pm (Central Standard Time in Australia) on the first day after the 12th Calendar Month from Reinstatement. Any Series A New Options not exercised on or before the expiry date will automatically lapse.

(c) The Series A New Options are, subject to any restriction on the Series A New Options vesting in the Option Holder, only exercisable 7 days prior to the Expiry Date, which will be 12 months from the date of Reinstatement.

(d) All Shares in the Company allotted on the exercise of Series A New Options will rank equally in all respects with the then Existing Shares.

(e) It is intended that application will be made to ASX for quotation of the Series A New Options.

(f) The Company must apply for quotation of all Shares in the Company allotted pursuant to the exercise of New Options not later than 10 Business Days after the date of allotment.

(g) A Series A Option Holder may only participate in new issues of securities ("**New Issue**") to holders of Shares in the Company if the Series A New Options have been exercised and Shares allotted in respect of the New Options before the record date for determining entitlements to the New Issue. The Company must give to the Series A Option Holder at least 7 Business Days notice of any New Issue before the record date for determining entitlements to the New Issue in accordance with the Listing Rules.

(h) There will be no change to the exercise price of the Series A New Options or the number of Shares over which the Series A New Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).

(i) If there is a bonus issue ("**Bonus Issue**") to the holders of Shares in the Company, the number of Shares over which the Series A New Options are exercisable will be increased by the number of Shares which an Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.

(j) If prior to the expiry date there is a re-organisation of the issued capital of the Company, the New Options are to be treated in the manner set out in the Listing Rules.

7.4 Terms of Series B New Options

The terms and conditions of the Series B New Options to be issued under this Prospectus are as follows:

(a) Each Series B New Options entitles the holder (**Option Holder**) to subscribe for a Share in the Company at the exercise price of $0.02 per Share.

(b) The Series B New Options will expire at 5.00pm (Central Standard Time in Australia) on the first day after the 36th Calendar Month from Reinstatement. Any Series B New Options not exercised on or before the expiry date will automatically lapse.

(c) The Series B New Options are, subject to any restriction on the Series B New Options vesting in the Option Holder, only exercisable 7 days prior to the Expiry Date, which will be 36 months from the date of Reinstatement.

(d) All Shares in the Company allotted on the exercise of Series B New Options will rank equally in all respects with the then Existing Shares.

(e) It is intended that application will be made to ASX for quotation of the Series B New Options.

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(f) The Company must apply for quotation of all Shares in the Company allotted pursuant to the exercise of Series B New Options not later than 10 Business Days after the date of allotment.

(g) A Series B Option Holder may only participate in new issues of securities ("**New Issue**") to holders of Shares in the Company if the Series B New Options have been exercised and Shares allotted in respect of the Series B New Options before the record date for determining entitlements to the New Issue. The Company must give to the Series B Option Holder at least 7 Business Days notice of any New Issue before the record date for determining entitlements to the New Issue in accordance with the Listing Rules.

(h) There will be no change to the exercise price of the Series B New Options or the number of Shares over which the Series B New Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).

(i) If there is a bonus issue ("**Bonus Issue**") to the holders of Shares in the Company, the number of Shares over which the New Options are exercisable will be increased by the number of Shares which a Series B Option Holder would have received if the Series B Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.

(j) If prior to the expiry date there is a re-organisation of the issued capital of the Company, the Series B New Options are to be treated in the manner set out in the Listing Rules.

7.5 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (Third Edition) ("**Recommendations**") issued by ASX's Corporate Governance Council. The Company's Corporate Governance policy and its Share Trade Policy will be available on the Company's website. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below:

(a) **Lay solid foundations for management and oversight**

The Board and management have agreed on their respective roles and responsibilities and the functions reserved to the Board and management. The Board has established and adopted a Board Charter for this purpose. The Board has also established a Nomination and Remuneration Committee Charter which, amongst other functions, guides the Board in its evaluation of the performance of senior executives and encourages an appropriate mix of skills, experience, expertise and diversity on the Board.

(b) **Structure of the Board to add value**

The Board ultimately takes responsibility for corporate governance, and will be accountable to the Shareholders for the performance of the Company. The functions and responsibilities of the Board are set out in the Company's constitution and the Corporations Act. The Company has adopted a Nomination and Remuneration Committee Charter which encourages a transparent Board selection process in searching for and selecting new directors to the Board

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and having regard to any gaps in the skills and experience of the Directors and ensuring that a diverse range of candidates is considered.

The Board is comprised of 3 independent directors. The existing structure is considered appropriate given the small scale of the Company's enterprise and the associated economic restrictions this places on the Company. The existing structure is aimed at maximising the financial position of the Company by keeping its operating costs to a minimum.

(c) **Promote ethical and responsible decision-making**

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The Board has established a Code of Conduct to guide the Directors, managers, employees and officers of the Company with respect to matters relevant to the Company's legal and ethical obligations. The Board has also established a Workplace Diversity Policy which affirms the Company's commitment to promoting a corporate culture that is supportive of diversity and outlines strategies that the Board can undertake to encourage and promote a diverse working environment.

(d) **Safeguard integrity in financial reporting**

The Directors require the Chief Executive Officer and external company auditors to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

A separate audit committee has not been formed. However, the Company has adopted an Audit Committee Charter. The role of the audit committee is carried out by the full Board in accordance with the Audit Committee Charter. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate audit committee.

(e) **Make timely and balanced disclosure**

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the Listing Rules and the Corporations Act. The Directors have established a written policy and procedure to ensure compliance with the disclosure requirements of the Listing Rules.

(f) **Respect the rights of Shareholders**

The Directors have established a communications strategy to promote effective communication with Shareholders and encourage effective participation at general meetings. As well as ensuring timely and appropriate access to information for all investors via announcements to the ASX, the Company will ensure that all relevant documents are released on the Company's website.

(g) **Recognise and manage risk**

The Directors have established a Risk Management Policy regarding the oversight and management of material business risks.

(h) **Remunerate fairly and responsibly**

A separate remuneration committee has not been formed. However, the Company has adopted a Nomination and Remuneration Committee Charter. The role of the remuneration committee is carried out by the full Board in accordance with the Nomination and

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Remuneration Committee charter. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate committee.

The Board has provided disclosure in relation to Directors' remuneration in **Section 1.11(e)** of this Prospectus. Further disclosure will be given to investors annually in accordance with the Listing Rules and the Corporations Act.

(i) **Share trading policy**

The Company has adopted a Trading Policy which sets out the following information:

- closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- trading in the Company's securities which is not subject to the Company's Trading Policy; and
- the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Trading Policy will be available on its website.

7.6 Departures from Recommendations

As it is listed on the ASX, the Company is required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations will be announced to ASX prior to the Company's re-instatement to trading.

7.7 Continuous Disclosure and Documents available for inspection

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company. The Company's Shares are currently suspended and as such no market price is available.

7.8 Interests and Fees of Professionals

(a) **No Interest Except as Disclosed**

Other than as set out in this **Section** 7 or elsewhere in the Prospectus, no expert, promoter, or any other person 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, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with has or has, within two (2) years before lodgement of the Prospectus with ASIC:

- had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers; and
- not recorded any amounts or benefits or has not agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offers.

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(b) **Solicitors**

Steinepreis Paganin has acted as solicitors to the Company over the last eighteen (18) months through the recapitalisation process and preparation of documentation required as part of the recapitalisation process. Fees payable to Steinepreis Paganin are approximately $20,000 excluding GST. Fees payable to Steinepreis Paganin have been charged in accordance with their normal rates.

(c) **Investigating Accountant**

BDO Corporate Finance (WA) Pty Ltd for work done in relation to the Investigating Accountant's Report is approximately $10,000 ex GST. BDO performed no other work in relation to the reconstruction of the Company. Fees payable to BDO have been charged in accordance with their normal hourly rates.

(d) **Arranger**

Peloton Capital Pty Ltd as Arranger will be paid a fee of 1% of capital raised by the Public Offer.

7.9 Consents

Each of the parties referred to in this **Section 7.9**:

- does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this **Section 7.9**; and
- to the maximum extent permitted by law, expressly disclaims and takes 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 7.9.**

Steinepreis Paganin has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as corporate advisor to the Issue in the form and context in which it is named, together with all references to it in this Prospectus. Steinepreis Paganin has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

BDO Corporate Finance (WA) Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn its consent to be named in this Prospectus as Investigating Accountant and to the inclusion of the Investigating Accountants Report in **Section 4** of this Prospectus. BDO Corporate Finance (WA) Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than its report and references to it.

Peloton Capital Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Arranger in the form and context in which it is named, together with all references to it in this Prospectus. Peloton Capital Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as the Arranger. Peloton Capital Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

There are not a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

7.10 Litigation

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There is currently no past, present or pending litigation of which the Company is aware against either the Company or the Directors.

7.11 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of the Directors accept any liability or responsibility in respect of the taxation consequences of the matters referred to above.

7.12 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at info@firstgrowthfunds.com and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.firstgrowthfunds.com

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

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7.13 Director's Authorisation

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company.

Geoff Barnes
Chairman

15 September 2014

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8. DEFINITIONS

Definitions used in this Prospectus are as follows:

AUD $	means Australian dollars. All amounts in this Prospectus are in Australian dollars unless stated otherwise.
Applicant	means a person who submits an Application.
Application	means a valid application to subscribe for Shares pursuant to an Offer under this Prospectus.
Application Monies	means the amount of money in dollars and cents payable for Shares pursuant to this Prospectus.
Arranger	means Peloton Securities Pty Ltd, an Australian Financial Services licensee who has been appointed by the Company pursuant to Section 911A(2)(b) of the Corporations Act to make offers under this Prospectus. A summary of this arrangement is set out in **Section 6.2**.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
Bluefish	means Bluefish Technologies Pty Ltd (ACN 082 545 171), an entity in which the Company holds 516,799,879 shares, being approximately 24.54% of its capital.
Board	means the Board of Directors of the Company.
Business Day	means a day on which trading banks are open for business in Perth, Western Australia except a Saturday, Sunday or public holiday.
Calendar Month	means a period commencing at the beginning of a day and of one of the twelve (12) months of the year and ending immediately before the beginning of the corresponding day of the next month, or, if there is no such corresponding day, ending at the expiration of the next month.
CHESS	means ASX Clearing House Electronic Sub-register System.
Claim	means a debt owing by, or a claim subsisting against the Company in favour of a person, or a debt or claim the circumstances giving rise to which occurred, or any action, suit, causes of action, arbitration, cost, demand, verdict, or judgment at law or in equity or under any statute which arose (whether at law, in equity, whether present, prospective or contingent whether liquidated or sounding only in damages and whether sounding in contract, or tort or however arising) on or before the 17 July 2011, including any claim arising under a convertible note.
Closing Date	means an indicative date of 20 October 2014 or other such date and time as the Company may determine.
Company or **FGF**	means First Growth Funds Limited (ACN 006 648 835).
Corporations Act	means the *Corporations Act 2001 (Cth)*.
Deed Administrator	means the Administrator acting in his capacity as deed administrator of the DOCA.
Directors	means the directors of the Company.
DOCA	means the Deed of Company Arrangement approved by Creditors on 30 January 2012, executed on 20 February 2012 by the Administrator, the Company, Trident Capital and the Secured Creditor and effectuated on 21 October 2013.
Existing Shares	means the 276,570,316 Shares in the Company on issue at the date of this Prospectus.

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Exposure Period	means the period of seven (7) days after the date of lodgement of the Prospectus, which period may be extended by ASIC by not more than seven (7) days pursuant to Section 727(3) of the Corporations Act.
General Meeting	means the general meeting of Shareholders held on 30 July 2014 details of which are summarised in **Section** 3.
Incentive Offer Application Form	means the application form for the Incentive Offer attached in **Section 10** and forming part of this Prospectus.
Issue	means the issue of securities in accordance with the Offers.
Legacy Shareholders	means those shareholder eligible to vote at the Shareholder's Meeting held in October 2012.
Listing Rules	means the listing rules of ASX.
Maximum Subscription	means the raising of $3,000,000 by the issue of 300,000,000 Shares pursuant to this Prospectus.
Minimum Subscription	means the raising of $1,500,000 by the issue of 150,000,000 Shares pursuant to this Prospectus.
Notice of General Meeting	means the notice convening the General Meeting.
Offers	means the Public Offer, the Incentive Offer, the Peloton Series A New Options Offer, the Peloton Series B New Options Offer, the Existing Shareholder Offer and the Transocean Offer.
Official List	means the official list of ASX.
Opening Date	means the first date for receipt of completed Application Forms which is 7:00am WST on 23 September 2014 or other such date and time as the Company may determine.
Option	means an option to acquire a Share.
Personal Property Securities Act	means the Personal Property Securities Act 2009 (Cth).
Proponent Shareholders	means those shareholders who were issued shares in the Company immediately following the October 2012 shareholder meeting.
Prospectus	means this prospectus dated 15 September 2014.
Public Offer	means the offer to the public pursuant to this Prospectus of up to 300,000,000 Shares at an issue price of $0.01 each to raise $3,000,000 as set out in **Section** 2 of this Prospectus.
Public Offer Application Form	means the application form for the Public Offer attached in **Section** 9 and forming part of this Prospectus.
Quotation	means official quotation as defined in the Listing Rules.
Recapitalisation Proposal	means the proposal for the recapitalisation of the Company to be implemented in accordance with the resolutions approved by Shareholders at the General Meeting as described in **Section** 3 of this Prospectus.
Reinstatement	means reinstatement of the Shares to quotation on the Official List of the ASX.
Secured Creditor	means Noble Investments Superannuation Fund Pty Ltd (ACN 135 046 409) as trustee for the Noble Investments Superannuation Fund.
Series A New Option	means an Option to acquire a Share on the terms and conditions set out in **Section 7.3**.

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Series B New Option	means an Option to acquire a Share on the terms and conditions set out in **Section 7.4.**
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holders of Shares registered in the Company's share register.
Share Registry	means Computershare Investor Services Pty Limited (ACN 078 279 277).
Subscription Account	means the bank account that will be established by the Company for the purpose of depositing all the Application Monies until such time as they are eligible for withdrawal.
2013 Shareholders	means those shareholders issued shares immediately following the October 2013 Shareholders Meeting.
WST	means Western Standard time.

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9. PUBLIC OFFER APPLICATION FORM

PUBLIC OFFER APPLICATION FORM AND INSTRUCTIONS

First Growth Funds Limited (ACN 006 648 835)

Please read all instructions on the reverse of this form

Share Registrars Use Only	
Broker reference – Stamp only	
Broker Code	Adviser Code

A Number of Shares applied for
(Minimum of 200,000 Shares then multiples of 100,000 Shares)

at $0.01 per Share

You may be allocated all of the Shares above or a lesser number

Please note that participants in the Public Offer will receive 1 free Series B New Option for every1 Share issued pursuant to the Public Offer.

B Total amount Payable by cheque(s) for Shares A$

C Full name details, title, given name(s) (no initials) and surname or Company name

D Tax File Number(s)

Or exemption category

Name of applicant 1 Applicant 1/Company

Name of joint applicant 2 or <account name> Joint applicant 2/ Trust

Name of joint applicant 3 or <account name> Joint applicant 3/ Trust

E Full postal address

Number/Street

Suburb/Town State/postcode

F Contact Details

Contact Name

Contact Number ( )

G Chess HIN (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to "First Growth Funds Limited – Subscription Account"

Drawer	Cheque Number	BSB Number	Account Number	Total amount of Cheque
				$

Alternatively funds can be transferred to:
National Australia Bank
BSB: 083-088
A/C No: 84-154-9866
A/C Name: First Growth Funds Limited – Subscription Account

I You should read this Prospectus carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the constitution of First Growth Funds Limited; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

For personal use only

For personal use only

Guide to the Public Offer Application Form

This Application Form relates to the Public Offer of Shares in First Growth Funds Limited. The expiry date of the Prospectus is the date which is 13 months after the date of this Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete the all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 200,000 Shares and thereafter in multiples of 100,000 Shares.

B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by 1c.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub–Register System (CHESS) participants should complete their name and address in the same format as that presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorized by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you regarding your Application.

G First Growth Funds Limited will apply to the ASX to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. In CHESS, the Company will operate an electronic CHESS sub register of securities holdings and an electronic issuer sponsored sub register of securities holdings. Together the two sub registers will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHESS sub register, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

H Please complete cheque details as requested.

Make your cheque payable to "First Growth Funds Limited – Subscription Account" in Australian currency and cross it "Not Negotiable" Your cheque must be drawn on an Australian Bank.

The amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in First Growth Funds Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

In Person to:	By Post to:	By Email to:
First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.	First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.	info@firstgrowthfunds.com

Application Forms must be received no later than 20 October 2014 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Correct form of Registrable Title

Only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the examples below:

Type of Investor	Correct form of Registrable Title	Incorrect form Registrable Title
Individual Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18). Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L; ABC Co
Trusts - Use Trustees(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

10. INCENTIVE OFFER APPLICATION FORM

INCENTIVE OFFER APPLICATION FORM AND INSTRUCTIONS

First Growth Funds Limited (ACN 006 648 835)

Please read all instructions on the reverse of this form

Share Registrars Use Only	
Broker reference – Stamp only	
Broker Code	Adviser Code

A Number of Shares applied for
(Minimum of 200,000 Shares then multiples of 100,000 Shares)

[ ] at $0.0001 per Share

You may be allocated all of the Shares above or a lesser number

Please note that participants in the Incentive Offer will receive 1 free Series B New Option for every1 Share issued pursuant to the Incentive Offer.

B Total amount Payable by cheque(s) for Shares

C Full name details, title, given name(s) (no initials) and surname or Company name

D Tax File Number(s)

Or exemption category

Name of applicant 1 | Applicant 1/Company

Name of joint applicant 2 or <account name> | Joint applicant 2/ Trust

Name of joint applicant 3 or <account name> | Joint applicant 3/ Trust

E Full postal address

Number/Street

Suburb/Town | State/postcode

F Contact Details

Contact Name

Contact Number ( )

G Chess HIN (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to "First Growth Funds Limited – Subscription Account"

Drawer	Cheque Number	BSB Number	Account Number	Total amount of Cheque
				$

Alternatively funds can be transferred to:
National Australia Bank
BSB: 083-088
A/C No: 84-154-9866
A/C Name: First Growth Funds Limited – Subscription Account

I You should read this Prospectus carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the constitution of First Growth Funds Limited; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

For personal use only

For personal use only

Guide to the Incentive Offer Application Form

This Application Form relates to the Incentive Offer in First Growth Funds Limited. The expiry date of the Prospectus is the date which is 13 months after the date of this Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete the all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

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B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by 1c.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub–Register System (CHESS) participants should complete their name and address in the same format as that presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorized by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you regarding your Application.

G First Growth Funds Limited will apply to the ASX to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. In CHESS, the Company will operate an electronic CHESS sub register of securities holdings and an electronic issuer sponsored sub register of securities holdings. Together the two sub registers will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHESS sub register, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

H Please complete cheque details as requested.

Make your cheque payable to "First Growth Funds Limited – Subscription Account" in Australian currency and cross it "Not Negotiable" Your cheque must be drawn on an Australian Bank.

The amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in First Growth Funds Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

In Person to:	By Post to:	By Email to:
First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.	First Growth Funds Limited c/- Peloton Capital Level 5 56 Pitt Street Sydney, NSW. 2000.	info@firstgrowthfunds.com

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Only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the examples below:

Type of Investor	Correct form of Registrable Title	Incorrect form Registrable Title
Individual Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18). Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L; ABC Co
Trusts - Use Trustees(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son