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ASX Market Announcements  
ASX Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

### **Public Democracy (“PD”) Transaction Update**

During the process of the transaction, First Growth Fund (“FGF”) came to a greater understanding of the markets Public Democracy operates in. It has become apparent that at this stage it may be more commercially advantageous for the Public Democracy business to operate in a private environment rather than in the listed company environment whilst it implements the next stage of its growth plans.

Major advancements by PD, notably the incorporation of a US subsidiary company, Public Democracy America Inc. (PDA), the finalization of a major US contract with the National Institute of Health (NIH) by PDA and the formal acquisition by PDA of one of the largest databases in the US (114 million users with 10 years of attitudinal and behavioural data) have opened up the possibility of advancing PD into the US market much sooner than was originally anticipated.

In order to expedite the process the Boards of both FGF and PD have agreed to vary the original Australian transaction.

FGF will receive 2,200,000 fully paid shares in PD (representing approximately 2% of the expanded capital in PD) in exchange for the Exclusivity payments totalling \$440,000 that FGF had committed to pay. FGF will not be completing the deal as it was announced to the market on October 6<sup>th</sup> 2015.

FGF will continue to actively support the growth of the PD business plan through its network in Australia and internationally, to achieve an increased value for all shareholders. The Directors of FGF and PD will continue to work together, with a re-focus on the US enterprise.

This course of action will free up time and resources and enable PD to concentrate further on achieving the strongest possible outcome for all parties.

A re-evaluation may be made in the future to reconsider an Australian transaction. In this instance any progress made by PD in the US will lift ultimate value for FGF shareholders in any transaction undertaken by the 2 companies.

Yours sincerely



Geoff Barnes  
Chairman

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