

31 January 2017

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2017

HIGHLIGHTS

- SHARE PLACEMENT TO RAISE \$3.45M
- BOARD STRENGTHENED WITH KEY EXECUTIVE DIRECTOR APPOINTMENT
- TERMSHEET SIGNED FOR INVESTMENT AND DEVELOPMENT OF DIGITAL CURRENCY EXCHANGE
- CLOUD LUMEN INVESTMENT UPDATE
- PEARL GLOBAL TO LIST ON ASX IN FEBRUARY 2018
- ANNUAL GENERAL MEETING HELD

First Growth Funds Limited (“FGF” or “the Company”) provides the following update on the Company’s activities during the quarter ended 31 December 2017.

SHARE PLACEMENT TO RAISE \$3.45M TO EXPAND INTO BLOCKCHAIN SECTOR

As announced on 2nd January 2018, the Company advised it had entered a conditional placement agreement with Blockchain Global Limited (Blockchain Global) and other unrelated sophisticated investors to raise \$3,453,990. The placement was to raise funds to provide FGF with working capital and for funding to facilitate acquisitions of or investments in Blockchain technology, assets or businesses.

The Company agreed to issue 282,257,907 shares at \$0.012237 each along with a 1:1 attaching option exercisable at \$0.03 within 2 years of issue.

On the 25th January, the Company received notice from BlockChain Global it was satisfied with its due diligence investigations and FGF subsequently lodged a Notice of Meeting for an Extraordinary General Meeting to be held on 28 February 2018.

BOARD STRENGTHENED WITH KEY EXECUTIVE DIRECTOR APPOINTMENT

The Company announced on 14th December 2017 the appointment of Mr Anoosh Manzoori to the board along with the terms announced on 20th December in the role as Executive Director.

Anoosh brings to the Board a wealth of experience in technology and investment advisory. He is the CEO of Shape Capital Pty Ltd, an advisory and venture investment firm, and an Expert Network Member, supporting local innovative companies under the Department of Industry, Innovation and Science program. His experience includes capital raising and M&A across a number of industries with a particular focus on the technology sector. Anoosh is also a Non-Executive Director of CCP Technologies Limited (ASX: CT1).

Anoosh has been actively involved in the emerging Blockchain and Cryptocurrency market where he has advised one of the largest BitCoin mining companies in Australia and also strategic advisor to a Melbourne based blockchain software company. He is also an active investor in the sector.

Anoosh was previously the founder and CEO of one of Australia's largest cloud hosting companies reaching over 75,000 customers before selling the company to MYOB Limited in 2008.

TERMSHEET SIGNED WITH HEURESY

On the 22nd November the Company announced it had signed a term sheet with Heuresy LLC ("Heuresy") for an investment in an entity focussed on the design, development and implementation of a digital currency exchange.

Work continues to progress under the Heuresy Term Sheet with engaged technical and legal advisors assisting the parties moving forward with the development of the exchange, the hardware security solution and the related software and applications.

FGF and Heuresy are presently finalising the definitive documents following the Term Sheet and the Company will update the market once executed.

CLOUD LUMEN UPDATE

The Company provided an update on 11th January regarding Cloud Lumen finalising their financial accounts for November period with their Canadian auditors ahead of review by Australian counterparts who are preparing work on upcoming Prospectus. Cloud Lumen provided FGF with an updated Company presentation and they anticipate a ASX listing in 2nd Quarter 2018.

FGF made an investment of \$350,000 by way of convertible note and upon successful ASX listing will own approximately 18.5% of Cloud Lumen.

PEARL GLOBAL UPDATE

FGF provided an update on 11th January regarding Pearl Global seeking an admission to listing on ASX. Pearl Global has now received listing approval and expects to list in first few weeks of February 2018.

FGF previously invested \$350,000 by way of convertible notes and subsequently converted to 2,187,500 ordinary shares in in Citation Resources Limited (CTR.ASX to be renamed Pearl Global Limited).

ANNUAL GENERAL MEETING

The Annual General meeting for shareholders was held on 27 November 2017, with all resolutions carried in favour.

CASH AND SHAREHOLDINGS

As at the date of this report the Company held \$1,887,303 in available cash.

FGF currently holds 2.5m ordinary shares in FYI Resources (FYI.ASX) and 2,187,500 ordinary shares in Citation Resources Limited (CTR.ASX to be renamed Pearl Global Limited).

FGF retains \$350k of convertible notes in Cloud Lumen which anticipates an ASX listing in June Quarter.

The following table represents the total equity instruments on issue in First Growth Funds Ltd

| Equity Category | Details | Number on Issue |
|------------------------|---|-----------------|
| Listed Ordinary Shares | ASX : FGF | 915,718,530 |
| Options | ASX : FGFOA Strike Price of \$0.02 Expiry 17 Feb 2018 | 228,459,892 |
| | ASX : FGFOC Strike Price of \$0.02 Expiry 18 Feb 2018 | 155,214,386 |

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

First Growth Fund Limited

ABN

Quarter ended ("current quarter")

34 006 648 835

31 December 2017

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|------------------------------------|
| 1 | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | 0 | 0 |
| 1.2 | Payments for: | | |
| | (a) research and development | 0 | 0 |
| | (b) product manufacturing and operating costs | 0 | 0 |
| | (c) advertising and marketing | 0 | 0 |
| | (d) leased assets | 0 | 0 |
| | (e) staff costs | (119) | (134) |
| | (f) administration and corporate costs | (272) | (331) |
| 1.3 | Dividends received (see note 3) | 0 | 0 |
| 1.4 | Interest received | 4 | 7 |
| 1.5 | Interest and other costs of finance paid | 0 | 0 |
| 1.6 | Income taxes paid | 0 | 0 |
| 1.7 | Government grants and tax incentives | 0 | 0 |
| 1.8 | Other - proceeds from trading | 376 | 806 |
| | Other - trading payments | (10) | (194) |
| 1.9 | Net cash from / (used in) operating activities | (21) | 154 |

| 2 Cash flows from investing activities | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--|---|----------------------------|------------------------------------|
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | 0 | 0 |
| | (b) businesses (see item 10) | 0 | 0 |
| | (c) investments | 0 | 0 |
| | (d) intellectual property | 0 | 0 |
| | (e) other non-current assets | 0 | 0 |
| 2.2 | Proceeds from disposal of: | 0 | 0 |
| | (a) property, plant and equipment | 0 | 0 |
| | (b) businesses (see item 10) | 0 | 0 |
| | (c) investments | 0 | 0 |
| | (d) intellectual property | 0 | 0 |
| | (e) other non-current assets | 0 | 0 |
| 2.3 | Cash flows from loans to other entities | 0 | 0 |
| 2.4 | Dividends received (see note 3) | 0 | 0 |
| 2.5 | Other (provide details if material) | 0 | 0 |
| 2.6 | Net cash from / (used in) investing activities | 0 | 0 |

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| 3 | Cash flows from financing activities | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|-------------|---|------------------------------------|--|
| 3.1 | Proceeds from issues of shares | 0 | 0 |
| 3.2 | Proceeds from issue of convertible notes | 0 | 0 |
| 3.3 | Proceeds from exercise of share options | 0 | 0 |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | 0 | 0 |
| 3.5 | Proceeds from borrowings | 0 | 0 |
| 3.6 | Repayment of borrowings | 0 | 0 |
| 3.7 | Transaction costs related to loans and borrowings | 0 | 0 |
| 3.8 | Dividends paid | 0 | 0 |
| 3.9 | Other (provide details if material) | 0 | 0 |
| 3.10 | Net cash from / (used in) financing activities | 0 | 0 |

| 4 | Net increase / (decrease) in cash and cash equivalents for the period | | |
|------------|--|------------|------------|
| 4.1 | Cash and cash equivalents at beginning of quarter/year to date | 1,015 | 840 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (21) | 154 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 0 | 0 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 0 | 0 |
| 4.5 | Effect of movement in exchange rates on cash held | 0 | 0 |
| 4.6 | Cash and cash equivalents at end of quarter | 994 | 994 |

| 5 | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 994 | 840 |
| 5.2 | Call deposits | 0 | 0 |
| 5.3 | Bank overdrafts | 0 | 0 |
| 5.4 | Other (provide details) | 0 | 0 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 994 | 840 |

| 6 | Payments to directors of the entity and their associates | Current quarter \$A'000 |
|----------|--|------------------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | 119 |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | 0 |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

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| 7 | Payments to related entities of the entity and their associates | Current quarter |
| | | \$A'000 |
| 7.1 | Aggregate amount of payments to these parties included in item 1.2 | 0 |
| 7.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | 0 |
| 7.3 | Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |
| | | |

| | | | |
|----------|--|---|------------------------------------|
| 8 | Financing facilities available | Total facility amount at quarter end | Amount drawn at quarter end |
| | | \$A'000 | \$A'000 |
| | <i>Add notes as necessary for an understanding of the position</i> | | |
| 8.1 | Loan facilities | 0 | 0 |
| 8.2 | Credit standby arrangements | 0 | 0 |
| 8.3 | Other (please specify) | 0 | 0 |
| 8.4 | Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |
| | | | |

| | | |
|------------|---|----------------|
| 9 | Estimated cash outflows for next quarter | \$A'000 |
| 9.1 | Research and development | 0 |
| 9.2 | Product manufacturing and operating costs | 0 |
| 9.3 | Advertising and marketing | 0 |
| 9.4 | Leased assets | 0 |
| 9.5 | Staff costs | (90) |
| 9.6 | Administration and corporate costs | (40) |
| 9.7 | Other - trading payments | 0 |
| 9.8 | Total estimated cash outflows | (130) |

| | | | |
|-----------|--|---------------------|------------------|
| 10 | Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
| 10.1 | Name of entity | n/a | n/a |
| 10.2 | Place of incorporation or registration | n/a | n/a |
| 10.3 | Consideration for acquisition or disposal | n/a | n/a |
| 10.4 | Total net assets | n/a | n/a |
| 10.5 | Nature of business | n/a | n/a |

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 31 January 2018

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Company secretary

Print name: Julie Edwards

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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