

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: First Growth Funds Limited (the “Issuer”).

Trading Symbol: FGFL

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

– refer schedule A

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

– refer to schedule A

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

– refer to schedule A

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Interim MD&A follows this Form.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: November 30, 2020

Anoosh Manzoori
Name of Director or Senior Officer

"Annosh Manzoori"

Signature

Chief Executive Officer

Official Capacity

Issuer Details		
Name of Issuer FIRST GROWTH FUNDS LIMITED	For Quarter Ended September 30, 2020	Date of Report 11/30/20
Issuer Address Level 14, 440 Collins Street,		
City/Province/Postal Code Melbourne VIC 3000 Australia	Issuer Fax No. (61) 3-9820-6499	Issuer Telephone No. (61) 3-9820-6400
Contact Name Mark Pryn	Contact Position CFO & Company Secretary	Contact Telephone No. (61) 3-9820-6400
Contact Email Address cosec@firstgrowthfunds.com	Web Site Address https://firstgrowthfunds.com /	

Form 52-109FV2
Certification of Interim Filings
Venture Issuer Basic Certificate

I, Anoosh Manzoori, CEO of First Growth Funds Limited certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of First Growth Funds Limited (the “issuer”) for the interim period ended September 30, 2020.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **November 30, 2020**

“Anoosh Manzoori”

Anoosh Manzoori
CEO

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV2
Certification of Interim Filings
Venture Issuer Basic Certificate

I, Mark Pryn, CFO of First Growth Funds Limited, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of First Growth Funds Limited (the “issuer”) for the interim period September 30, 2020.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: ***November 30, 2020***

“*Mark Pryn*”

Mark Pryn
CFO

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FIRST GROWTH FUNDS LIMITED.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended September 30, 2020 and 2019

(Unaudited)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Interim Consolidated Financial Statements have been prepared by, and are the responsibility of, the Group's management.

FIRST GROWTH FUNDS LIMITED.*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2020**

(Expressed in Australian Dollars)

(unaudited)

	Note	30 Sept 2020	30 June 2020
Current assets			
Cash and cash equivalents		3,468,203	4,349,767
Trade and other receivables	7	13,229	12,704
Inventories (cryptocurrencies)	8	47,200	47,200
Financial assets	9	3,680,251	3,126,095
Other		47,301	11,328
Total current assets		<u>7,256,184</u>	<u>7,547,094</u>
Non-current assets			
Financial assets	9	<u>1,427,635</u>	<u>1,608,567</u>
Total non-current assets		<u>1,427,635</u>	<u>1,608,567</u>
Total assets		<u>8,683,819</u>	<u>9,155,661</u>
Current liabilities			
Trade and other payables		<u>120,756</u>	<u>127,681</u>
Total current liabilities		<u>120,756</u>	<u>127,681</u>
Total liabilities		<u>120,756</u>	<u>127,681</u>
Net assets		<u>8,563,063</u>	<u>9,027,980</u>
Equity			
Issued capital	10	67,635,788	67,635,788
Reserves		-	-
Accumulated losses		<u>(59,072,725)</u>	<u>(58,607,808)</u>
Total equity		<u>8,563,063</u>	<u>9,027,980</u>

Approved on behalf of the Board:

"Anoosh Manzoori"

Anoosh Manzoori, CEO, Director

The accompanying notes are an integral part of these financial statements.

FIRST GROWTH FUNDS LIMITED.*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE PROFIT AND LOSS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Australian Dollars)

(unaudited)

	Note	<u>Three months</u>	
		<u>30 Sept 2020</u>	<u>30 Sept 2019</u>
Income (loss) from continuing operations		\$	\$
Revenue from continuing operations	6	2,800	-
Direct costs		-	-
Net income (loss) from continuing operations		2,800	-
Income (loss) from investments			
Interest revenue		15,723	22,783
Dividends received		-	-
Financial assets at fair value through profit and loss		(204,130)	575,897
Asset impairments		0	-
Other gains and losses		(6,955)	-
Income (loss) from investments		(195,362)	598,680
Net income (loss)		(192,562)	598,680
Operating expenses			
AFSL ¹ support		9,000	(9,247)
Director related costs	4	120,000	(121,442)
Insurance and professional fees		116,652	(142,957)
Listing and share registry fees		14,749	(33,944)
Travel expenses		-	(39,595)
Other expenses		11,954	(5,234)
Total operating expenses		272,355	(352,419)
Profit/(loss) before income tax expense		(464,917)	246,261
Income tax expense		-	-
Profit/(loss) after income tax expense		(464,917)	246,261
Other comprehensive income, net of tax		-	-
Comprehensive income (loss)		(464,917)	246,261
		Cents	Cents
Basic and diluted earnings per share**		(0.598)	0.317
Weighted average number of ordinary shares on issue**		77,798,218	77,798,218

** The comparative weighted average number of ordinary shares and the resultant earnings per share calculations have been adjusted to reflect the 20 for 1 share consolidation completed December 2, 2019.

¹ AFSL – Australian Financial Services Licence

The accompanying notes are an integral part of these financial statements.

FIRST GROWTH FUNDS LIMITED.*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Australian Dollars)

(Unaudited)

	Issued capital	Share option reserve	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2019	67,635,788	19,156	(59,561,303)	8,093,641
Loss after income tax expense for the period	-	-	246,261	246,261
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	246,261	246,261
Balance at 30 Sept 2019	67,635,788	19,156	(59,315,042)	8,339,902

	Issued capital	Share option reserve	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2020	67,635,788	-	(58,607,808)	9,027,980
Loss after income tax expense	-	-	(464,917)	(464,917)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	(464,917)	(464,917)
Balance at 30 Sept 2020	67,635,788	-	(59,072,805)	8,563,063

The accompanying notes are an integral part of these financial statements.

FIRST GROWTH FUNDS LIMITED.*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Australian Dollars) (Unaudited)

	Note	Three months ended	
		30 Sept 2020 \$	30 Sept 2019 \$
CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITES			
Profit / (loss) after tax		(464,917)	246,261
Adjustments for non cash items		-	-
Fair value adjustments through profit and loss		204,130	(575,897)
Impairment – loans and intangibles		-	-
Advisory fees settled in shares	5	-	(45,455)
Director - share based payments / (credits)		-	-
<u>Changes in non cash working capital balances</u>			
Decrease / (increase) in receivables		(525)	18,567
Decrease / (increase) in inventories			0
Decrease / (increase) financial assets		(577,354)	1,144,302
Decrease / (increase) in other current assets		(35,973)	(32,956)
Decrease / (increase) in payables		(6,925)	(16,334)
Cash provided by (used in) operating activities		(881,564)	738,488
INVESTING ACTIVITES			
Intangible asset proceeds		-	100,869
Net cash from subsidiary acquisition		-	-
Cash provided by (used in) investing activities		-	100,869
Increase / (decrease) in cash		(881,564)	839,397
Cash, beginning		4,349,767	2,255,897
Cash closing		3,468,203	3,095,294
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		-	-
Cash paid for income taxes		-	-
NON CASH TRANSACTION INFORMATION:			
Director - share based payments		-	-
Advisory fees settled in shares	5	-	45,455
Trade receivable – share based settlement		--	33,675

The accompanying notes are an integral part of these financial statements.

FIRST GROWTH FUNDS LIMITED.

(An Investment and Advisory Group)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in Australian Dollars) (Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Parent Entity, First Growth Funds Limited is incorporated under the Laws of Australia, specifically the Corporations Act 2001. The registered office of First Growth Funds Limited is located at Level 14 440 Collins St Melbourne, Victoria, 3000, Australia and its principal place of business is located at Level 5 56 Pitt Street Sydney, New South Wales, 2000, Australia. The Parent Entity's shares are listed on the Canadian Securities Exchange (CSE:FGFL).

The Consolidated Entity comprises First Growth Funds as the parent and two wholly owned controlled entities:

- ICO-AN Pty Ltd (incorporated in Australia 17 November 2017)
- First Growth Advisory Pty Ltd (incorporated in Australia 8 December 2018)

The Consolidated Entity may also be referred to as the "Group" and the Parent Entity may also be referred to as the "Company".

The Group's principal business activities are to provide advisory services to both listed and private unlisted companies and to manage a diversified portfolio of different assets and classes including large and small cap listed equities, private equity and pre-IPO investments, convertible notes, loans and cryptocurrencies investments..

2. BASIS OF PRESENTATION

i. Statement of compliance

These financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These financial statements should be read in conjunction with the Group's financial statements for the year ended June 30, 2020. These financial statements were approved for issue by the Board of Directors on November 30, 2020.

ii. Measurement basis

The financial statements have been prepared on the historical cost basis except for the following:

- Financial assets and financial liabilities which are initially recognised at their fair values and subsequently measured at their respective fair values; and
- Inventories are valued at the lower of their cost and the net realisable value.

These financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Group is the Australian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these unaudited Condensed Interim Consolidated Financial Statements are based on IFRS issued and outstanding as the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited Condensed Interim Consolidated Financial Statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2020. Any subsequent changes to IFRS that are given effect in the Group's annual financial statements for the year ending June 30, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

FIRST GROWTH FUNDS LIMITED.*(An Investment and Advisory Group)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019***(Expressed in Australian Dollars) (Unaudited)***4. RELATED PARTY TRANSACTIONS AND BALANCES**

The Company has identified its directors and senior officers as its key management personnel. The following table provides the total amount of related party transactions and balances.

Transactions**	Three months ended	
	30 Sept 2020	30 Sept 2019
	\$	\$
Director fees (Parent)***		
Anoosh Manzoori	60,000	60,000
Geoff Barnes	15,000	15,000
Michael Clarke	15,000	15,000
Athan Lekkas	15,000	15,000
Other – GST	-	1,442
Other director fees (wholly owned subsidiaries)	15,000	15,000
	120,000	121,442
Advisory - Dalext Pty Ltd. ⁽²⁾	22,500	22,500

** Director fees and Director related advisory fees are included in the Consolidated Statements of Comprehensive Income (Loss) included under the respective headings of Director Related Costs and Insurance and Professional fees.

*** Director fees are paid to director-controlled entities

No post-employment benefits, other long-terms benefits and termination benefits were made during the three months ended September 30, 2020 and 2019.

Balances	30 Sept 2020	30 June 2020
	\$	\$
Accounts Payable		
Polygon Fund Pty Ltd. ⁽¹⁾	20,000	20,000

⁽¹⁾ Polygon Funds Pty Ltd a company controlled by Anoosh Manzoori, a director FGF

⁽²⁾ Dalext Pty Ltd. is a company controlled by Athan Lekkas, a director FGF.

5. DIRECTOR EQUITY HOLDINGS

Ordinary shares held by directors

Name**	Opening balance	Movements	Balance as at 30 Sept 2020	Balance in escrow***
Geoff Barnes	6,400,000	-	6,400,000	5,760,000
Michael Clarke	751,516	-	751,516	676,364
Athan Lekkas	2,037,274	-	2,037,274	1,833,546
Anoosh Manzoori	4,846,756	-	4,846,756	4,362,050
	14,035,546		14,035,546	12,631,960

** Balances held by directors and/or director-controlled entities.

*** The director holdings became subject to an Escrow Agreement upon the shares being listed on the Canadian Securities Exchange

The directors do not hold any options.

FIRST GROWTH FUNDS LIMITED.

(An Investment and Advisory Group)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Australian Dollars) (Unaudited)

6. NET INCOME (LOSS) FROM CONTINUING OPERATIONS

	Three months ended	
	30 Sept 2020	30 Sept 2019
	\$	\$
Advisory / Commission income	-	-
Digital currency sales (inventories)	-	-
Other	2,800	-
	<hr/>	<hr/>
Income from continuing operations	-	-
Direct costs	-	-
Net income (Loss) from continuing operations	2,800	-
	<hr/>	<hr/>

7. TRADE AND OTHER RECEIVABLES

	30 Sept 2020	30 June 2020
	\$	\$
Trade receivables	-	-
Loss allowance for trade receivables	-	-
Loans receivable (i)	-	226,022
Impairment allowance for loan receivable	-	(226,022)
GST receivable	13,229	12,704
	<hr/>	<hr/>
	13,229	12,704
	<hr/>	<hr/>

- i. On 1 March 2019 the Group entered into a short-term arrangement with Australian Nutrition and Sports Limited. Australian Nutrition and Sports Limited, appointed an Administrator in March 2020 and in May 2020 entered a Deed of Company Arrangement with creditors. This loan has been fully impaired.

8. INVENTORIES

	30 Sept 2020	30 June 2020
	\$	\$
Cryptocurrencies held for sale	736,181	736,181
Provision for impairment	(688,981)	(688,981)
	<hr/>	<hr/>
	47,200	47,200
	<hr/>	<hr/>

Cryptocurrency holdings

As at 30 September 2020, the Group held:

- 907,730,000 (30 June 2020: 907,730,000) Sovereign Cash Tokens (SOV) tokens. The carrying value of the SOV tokens is \$Nil (30 June 2020: Nil).
- 255.5 Ethererum ("ETH") tokens The carrying value of the ETH tokens is \$47,200 (30 June 2020: \$47,200).

Accounting policies for inventories

Inventories are measured at the lower of cost and net realisable value. Cryptocurrencies are

FIRST GROWTH FUNDS LIMITED.*(An Investment and Advisory Group)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019***(Expressed in Australian Dollars) (Unaudited)*

recognised as inventories where they are held for sale in the ordinary course of business in accordance with guidance provided by the International Financial Reporting Interpretations Committee ('IFRIC') during June 2019.

9. FINANCIAL ASSETS

	30 Sept 2020	30 June 2020
	\$	\$
CURRENT		
Listed equity securities at fair value through profit and loss	3,680,251	3,126,095
Total	<u>3,680,251</u>	<u>3,126,095</u>
NON-CURRENT		
Unlisted equity securities at fair value through profit and loss	926,610	864,816
Unlisted convertible notes at amortised costs	501,025	743,751
Total	<u>1,427,635</u>	<u>1,608,567</u>

10. SHARE CAPITAL**(a) Authorized Share Capital**

Effective July 1 1998, the Australian Corporations Law abolished the concept of authorized capital and par value in relation to Share Capital.

(b) Issued and Outstanding Ordinary Shares

	Number of Ordinary Shares	Amount
		\$
Balance, July 1, 2020	77,798,218	67,635,788
Movements during the period	Nil	Nil
Balance, September 30, 2020	<u>77,798,218</u>	<u>67,635,788</u>

(c) Share Options

	Number of Options on issue
Balance, July 1, 2020	Nil
Movements during the period	
Advisor options granted	1,000,000
Balance, September 30, 2020	<u>1,000,000</u>

FIRST GROWTH FUNDS LIMITED.

(An Investment and Advisory Group)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Australian Dollars) (Unaudited)

The options granted during the period form part of the consideration for services rendered under investor relations and corporate advisory consulting arrangements. Each option carries the right to acquire one fully paid ordinary share. The terms attached to the options are set out below:

	Tranche 1	Tranche 2
Grant date	August 4 2020	August 6 2020
Number granted	500,000	500,000
Exercise price (Canadian dollars)	\$0.28	\$0.28
Expiry date	August 4 2021	August 6 2021

The options are yet to be valued.

(d) Shares held in escrow

Refer to Note 5.

11. INCOME TAXES

Future tax benefits which may arise as a result of these non-capital losses and other income tax pools have not been recognized in these financial statements and have been offset by a valuation allowance.

No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

12. MANAGEMENT OF CAPITAL

The objective when managing capital is to safeguard the assets. The Group is not subject to any externally imposed capital requirements.

As at September 30, 2020, the Group capital resources include all the components of shareholders' equity. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Parent Entity may attempt to issue Ordinary Shares.

13. COMMITMENTS

Nil.

14. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Group's activities expose it to a number of financial risks, including market risk, credit risk and liquidity risk. The Group's management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group, mindful of the cost of such measures and the competing demands of other investment. Risks are monitored through the use of sensitivity analysis for interest rate and foreign exchange risks and aging analysis for credit risk.

The Group identifies and evaluates mitigation activities for risk and to develop policy for risk management across all Group operations pursuant to written risk management principles approved by the Board.

Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

FIRST GROWTH FUNDS LIMITED.

(An Investment and Advisory Group)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Australian Dollars) (Unaudited)

Market risk comprises three types of risk:

- Currency risk
- Price risk
- Interest rate risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments would fluctuate due to changes in foreign exchange rates. The Group is not exposed to any significant foreign currency risk.

Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and are classified in the balance sheet as listed and unlisted equities at fair value through profit or loss. Based on this exposure, had the share prices increased or decreased by 10% (2019: 10%) the impact on the Group's loss before tax and net assets would have been:

30 Sept 2020	Increase 10%	Decrease 10%		
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Listed securities	368,025	368,025	(368,025)	(368,025)

30 June 2020	Increase 10%	Decrease 10%		
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Listed securities	312,625	312,625	(312,625)	(312,625)

Interest rate risk

Interest rate risk arises from the Group's interest-bearing financial assets and liabilities. The Group carries cash balances with major Australian Banks which are exposed to variable interest rates. The major Australian Banks all have Standard & Poor's credit ratings of AA-. The Australian Reserve Bank cash rate is less than 1%, accordingly the impact of a 10% movement in interest rates is deemed immaterial. The Group does not currently carry financial liabilities with variable interest rates.

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument creating a financial loss. Credit risk arises from cash and cash equivalents, deposits with banks and through exposures to wholesale and retail customers.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group has a total credit risk exposure of \$501,025 (2020: \$743,751) on its convertible notes invested with various parties at reporting date.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

FIRST GROWTH FUNDS LIMITED.*(An Investment and Advisory Group)***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Australian Dollars) (Unaudited)

Liquidity risk

Liquidity risk is the risk that the Group's operational performance will be adversely affected through the failure to satisfy an obligation for settlement of a financial transaction within contractual terms or that operational decisions made to ensure sufficient funding is available to meet such settlement will adversely affect the value of financial assets (including sale of financial assets at values less than their fair market values). The Group's predominant exposure to liquidity risk is through investments in overseas start-up businesses which can experience significant volatility whilst in their infancy.

Remaining contractual maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the amortised cost of discounted cash flows of the financial instruments stated on the statement of financial position:

	<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Remaining contractual maturities</i>
	\$	\$	\$	\$	\$
30 Sept 2020					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	120,756	-	-	-	120,756
Total non-derivatives	120,756	-	-	-	120,756
	<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Remaining contractual maturities</i>
	\$	\$	\$	\$	\$
30 June 2020					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	127,681	-	-	-	127,681
Total non-derivatives	127,681	-	-	-	127,681

15. FAIR VALUE MEASUREMENT*Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 Sept 2020				
Financial assets at fair value through profit or loss				
- Listed securities (i)	1,895,402	-	1,784,849	3,680,251
- Unlisted securities (ii) & (iii)	-	135,813	790,797	926,610
Total	1,895,482	135,813	2,575,646	4,606,861

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	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2020				
Financial assets at fair value through profit or loss				
- Listed securities (i)	1,341,246	-	1,784,849	3,126,095
- Unlisted securities (ii) & (iii)	-	281,536	583,280	864,816
Total	<u>1,341,246</u>	<u>281,536</u>	<u>2,368,129</u>	<u>3,990,911</u>

- (i) Quoted trading prices in active markets are not always available for listed securities. Where there are no observable valuation inputs, investments in listed securities are classified as Level 3 in the fair value hierarchy. To determine the enterprise value as an approximation of fair value of a listed security classified as Level 3, the company applies conservative revenue multiples. As at 30 September 2020, a revenue multiple of 2.5 times reduced by a non-controlling interest discount of approximately 40% was applied to determine the enterprise value of the investee company operating in the payment processing sector.

The fair value of this level 3 investment includes unrealised fair value gains of \$nil recognised through current year profit or loss (30 June 2020: \$739,384). The investee company listed in January 2020 and prior to listing the investment's fair value represented the consideration transferred to acquire an interest in the investment. Since listing the volume of shares traded are considered too low to conclude that an active market existed as at 30 September 2020, therefore an alternative fair value approach was adopted. The table below sets out the potential impact to profit before tax and equity resulting from a 20% increase and 20% decrease in the revenue multiples used to determine the fair value of the level 3 investment in listed securities.

	Increase 20% (to 3 times revenue)		Decrease 20% (to 2 times revenue)	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
30 Sept 2020 -Listed securities	356,970	356,970	(356,970)	(356,970)
30 June 2020 -Listed securities	356,970	356,970	(356,970)	(356,970)

- (i) Investments in unlisted securities valued at fair value and classified as Level 2 within the fair value hierarchy relate to unlisted options issued by listed entities. The fair value for the options is pegged to the trading prices for the related listed securities.
- (ii) Investments in unlisted securities valued at fair value and classified as Level 3 within the fair value hierarchy. The directors have considered the available information regarding these investments and believe it is currently appropriate to recognise a fair value of \$926,610 (30 June 2020: \$864,816) based on the consideration paid on acquisition.

16. SUBSEQUENT EVENT(S)

The Company holds a 14.4% equity interest SQID Technologies Limited carried at \$1,784,849 (CSE:SQID)

On November 23, 2020 SQID issued a news release as follows:

"The Company is a payment processor for online debit and credit card payment. The standards for payment processing are established by the Payment Card Industry Data Security Standard ("PCI"). PCI is an information security standard for organizations that handle credit cards from the major card schemes (Visa and MasterCard) and must ensure a high level of integrity and compliance of its payment processing at all times to appropriately manage its risk. Senior management of the Company changed early this year and as a result of a review by the new management the Company has advised its customers that changes were required to meet the required level of PCI compliance. We could not obtain this from a large group of customers representing about 94% of the Company's

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operations. Regrettably the Company is unable to continue to provide service to these customers. The loss of these customers will have a material impact on revenue and earnings in the short to medium term. The Company will undertake a restructure of its team and downsize its overheads to manage costs. The Company has an established and highly scalable payment platform that does not require ongoing development or R&D to maintain. With further efforts into sales and marketing the Company aims to recover the revenue and earnings profile in the short to medium term. Sqid has a strong balance sheet of \$3M cash, no debt and a good sales pipeline, and is actively reviewing a number of acquisition opportunities to complement its payments software and intellectual property”

Given the above, the Company is reassessing the long term value of its SQID holding and in the interim will also be guided by SQID share trading price levels.

No other matters or circumstances have arisen since the end of the reporting period that have significantly affected or may have a significant effect on the financial operations of, the financial performance of those operations, or the financial position of, the Group, in the subsequent reporting period.

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Management Discussion and Analysis
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1.1 – Date and Basis of Discussion & Analysis

This management discussion and analysis (“MD&A”) is dated as of November 30, 2020 and should be read in conjunction with the unaudited interim financial statements for the quarter ended September 30, 2020 and audited annual financial statements of First Growth Funds Limited for the year ended June 30, 2020 (“the Financial Statements”). The Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Unless expressly stated otherwise, all financial information is presented in Australian dollars.

1.2 – Corporate information

Business Structure

The Company, was incorporated on October 14, 1986 under the *Corporations Act* (Australia) with Australian company number (“ACN”) 006 648 835 It went through several name changes: and on March 29, 2011 the name was changed to the current name, First Growth Funds Limited. Its head office and registered offices are located at Level 14, 440 Collins Street Melbourne, Victoria 3000, Australia.

Wholly owned Subsidiary companies:

- 1) ICO-AN Pty Ltd., incorporated on November 17, 2017 pursuant to the *Corporations Act* (Australia).
- 2) First Growth Advisory Pty Ltd., (“FGA”) incorporated December 8, 2018 pursuant to the *Corporations Act* (Australia).

Nature of Business

First Growth Funds Limited invests across a broad range of asset classes including listed equities, private equity, blockchain and digital assets. The company also operates an advisory business providing corporate advisory, capital raising and capital markets support to its portfolio.

Investment mandate

Investment Restrictions and Requirements and Voluntarily Adopted Investment Measures

In order to address certain securities regulatory or public interest policy objectives, the Company has voluntarily adopted a number of measures that will define the Company and the scope of its operations. These voluntarily adopted measures include:

The Company has established the following restrictions:

- (i) will not invest more than 15% of its portfolio in any one entity.
- (ii) plans to allocate 50% or more in listed securities and up to 50% in unlisted securities (including Blockchain and digital assets).
- (iii) will use 32% of its portfolio as a guide to investments in Digital Assets and unlisted equity Blockchain entities. The Board may adjust this figure over time. If one of the Digital Assets or Blockchain companies valuation rises too high that skews the portfolio, the board will use its best efforts to find liquidity and adjust the portfolio accordingly.
- (iv) an officer or director of the Company may become an independent director of the investee company in order to monitor the progress of the investee company more closely.
- (v) will seek shareholder approval to any proposed changes to the fundamental investment objectives, despite not being an investment fund within the meaning of applicable securities laws.
- (vi) will ensure that at least half of the directors are independent.
- (vii) in its continuous disclosure documents disclose fundamental changes to the Company including details of the Company’s investment objectives and investment restrictions and management fees and performance fees if applicable.

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- (viii) until it has invested at least 75% of the \$3,200,000 allocated for new investments, it will provide summary financial information for its investment.
- (ix) will make its best efforts to invest of the \$3,200,000 allocated for new investments in the 12 months following listing on the CSE. However, this schedule may be altered depending on ongoing review of investment opportunities.

Bankruptcy, Receivership, Receiverships, Restructuring

There have not been any bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings, material restructuring transactions by the Company or any of its subsidiaries, any within the two most recently completed financial years.

Social, Environmental Policies, Seasonal Issues

There are no social and environmental policies or seasonal and environmental issues that have or are expected to affect the Company and its business.

Material Restructurings

There have not been any material restructuring of the Company in the last three years.

Acquisitions

See “Description of the Business”

Trends

See “Description of the Business”

DESCRIPTION OF THE BUSINESS

Overview

First Growth Funds Limited invests across a broad range of asset classes including listed equities, private equity, blockchain and digital assets. The company also operates an advisory business providing corporate advisory, capital raising and capital markets support to its portfolio.

Under Australian Corporations Law, any company engaged in dealing with securities needs to either (i) hold an AFSL license or (ii) be registered as a Corporate Authorized Representative of an AFSL holder. The Company presents investment opportunities to accredited investors in Australia for which it earns commission fees and is licensed for this activity pursuant to its arms-length agreement dated December 31, 2018 with SLM Corporate Pty. Ltd.

Asset Allocation

The table below is an overview of the current portfolio allocation as at June 30 2020 and as at 30 September 2020

Asset type	Note	As at June 30, 2020		As at Sept 30, 2020	
		\$	%	\$	%
Cash		4,349,321	47.7%	3,468,203	40.2%
Financial assets (listed)	i	3,126,095	34.2%	3,680,251	42.7%
Financial assets (unlisted)	i	1,608,557	17.6%	1,427,635	16.6%
Inventories	ii	47,200	0.5%	47,200	0.5%
Total		9,131,173	100.0%	8,623,289	100.0%

Notes

- i. Financial assets – listed securities are classified as current assets and unlisted securities are classified as non current assets.
- ii. Inventories comprise Cryptocurrency held for resale.

Material Agreements

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No new material agreements we entered into during the quarter ending September 30, 2020.

INVESTMENT IN LISTED EQUITIES

The Company holds an active portfolio of listed equities across various industries including technology, medical, mining and oil and gas sectors. The Company activity manages and adjusts the portfolio on a monthly basis.

The Company invests by participating in placements by equity or convertible notes or prior to their IPO. The Company can invest in any capital market but historically has been focused on the Australian market via the ASX. In some the Company helps facilitate the investment and earns fees. Some examples include:

1. Constellation Technologies Limited (previously CCP Technologies) (ASX:CT1) (“CT1”)

Cash receipts for the quarter were \$526k, an increase of 85% on the previous quarter and 383% increase on the prior year. CT1 held \$3.7M cash at the end of the quarter. The increase in revenue was primarily driven by the Group’s China operations, with the commencement of three new projects. The sales pipeline in China continue to develop and grow.

The Company invested \$250,000 in CT1 and facilitated a further investment of \$561,247.

Date of Investments	CT1 shares Acquired
7 Nov 2019	15,090,370
30 August 2019	2,590,370
19 August 2018	12,500,000
Shares held	30,180,740
Shares on issue	1,357,507,690
Shares held %	2.2%

CT1 closing trading price as at September 30, 2020 \$0.024 per share. The Company has not sold any of its CT1 shares.

The Company also owns 15,090,370 fully vested CT1 options with an exercise price of \$0.015 per share and a further 12,500,000 fully vested CT1 options with an exercise price of \$0.03 per share.

Anoosh Manzoori, the CEO of the Company is an independent non-executive director of CT1. Mr. Manzoori holds 10,260,506 CT1 shares, 7,201,682 CT1 options with an exercise price of \$0.015 and 2,000,000 CT1 options with an exercise price of \$0.10.

2. YPB Systems Limited (ASX:YPB)

YPB has developed an anti-counterfeit platform and solution. In the quarter, receipts from customers of \$68,000. YPB held \$0.75M cash at the end of the quarter. In 2019, the Company led the convertible note investment with a \$495,000 investment with a 10% coupon on August 29, 2018. The Company has not converted its investment to YPB shares or sold any of its investment. The convertible note:

- has a three year fixed term, repayable only at maturity, non-redeemable.
- pays 10% annual interest income on a 3-year term
- is convertible at any time to ordinary equity at the lower of AUS \$0.018 or a 50% discount to the price at which YPB shares were subscribed for pursuant to the most recent capital raising of YPB preceding the date of conversion (not including the present equity placement), provided that the deemed price is no lower than \$0.009.
- has a free attached unlisted option with an exercise price of \$0.025, expiring 18 months from the date of conversion of the convertible note to shares.
-

Anoosh Manzoori, the CEO and a director of the Company was a non-executive director of YPB from December 2018 to June 2019.

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3. Candy Club Holdings Ltd. (ASX:CLB) (“Candy Club”)

Candy Club Holdings Ltd. (“Candy Club”) is a specialty market confectionary business, selling to wholesalers and direct to consumers. It completed an IPO of \$5,024,004 before costs and listed on the ASX on February 14, 2019. The Company invested in the IPO and participated in subsequent placements. It has invested a total of \$387,400 not sold any of the Candy Club shares. The Company owns approximately 2,533,334 shares or 1% of the issued and outstanding shares of Candy Club. It also owns 483,334 options with an exercise price of \$0.10.

At all times Candy Club and the Company were arms-length and not related parties.

Cash receipts for the quarter were US\$1.9M, an increase of 146.8% compared to same time last year. CLB held US\$2.25M cash at the end of the quarter. On a year-on-year basis, the total gross revenue grew 2.5x compared with 3Q FY2019. Gross margin improved year-on-year to 43.3%. The company now ships products to over 11,700 retail doors in the US.

4. SQID Technologies Limited (CSE:SQID) (“SQID”).

SQID is a payment gateway processor. Its unaudited results for the nine months ended September 30, 2020 showed revenue of \$6,068,837 and profit before tax of \$423,458. SQID’s calendar year to date trading volumes of \$182,399,494 as at October 31, 2020 represent 20% year on year growth.

FGF acquired 14.64% of the Ordinary Shares of SQID in 2019 when SQID was a private company. SQID’s ordinary shares were listed on the CSE on January 21, 2020.

FGF directors. Michael Clarke and Athan Lekkas are also SQID directors. Athan Lekkas is also Executive Chairman and CEO.

5. Hydrocarbon Dynamics Limited (ASX:HCD) (“HCD”)

HCD is evaluating, exploring and developing oil prospects and technologies in North America and internationally and the sale of new clean oil technology products. During the quarter the Company sold 1,987,422 shares for \$60,239.

6. Kingwest Resources Limited (ASX:KWR) (“KWR”)

Kingwest Resources Limited (is a mining and explorations company focused primarily on gold exploration in the Eastern Gold Fields Region of Western Australia. During the quarter the Company held 440,000 shares. The KWR closing trading price as at September 30, 2020 was \$0.135 per share.

7. Golden Deeps Limited (ASX:GED) (“GED”)

Golden Deeps Limited is an early stage mining and explorations company. GED raised \$2,346,000 in a private placement to accelerate exploration on the recently acquired gold projects in the Lachlan Fold Belt in NSW, Australia.

During the quarter the Company acquired 2,800,000 shares at \$0.013 per share for \$35,000 and later sold with a \$12,338 profit. The Company also received 1,400,000 free options that were sold with a \$15,317 profit.

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8. Eastern Iron Limited (ASX:EFE) (“EFE”)

Eastern Iron Limited is an iron ore exploration company focused on assessing the development potential of the high grade magnetite resource at its 100% owned Nowa Nowa Iron Project in eastern Victoria, Australia. During the quarter the Company purchased 5,000,000 shares for \$45,148.

9. Great Western Exploration Limited (ASX:GTE) (“GTE”)

Great Western Exploration Limited is an exploration company focusing on identifying & evaluating copper, gold and nickel prospects in Western Australia. During the quarter the Company purchased 454,279 shares for \$153,489.

10. Kneomedia Limited (ASX:KNW) (“KNW”)

Kneomedia Limited is an online education publishing business that delivers education assessment products and games-based learning to global educational markets. KNeoMedia publishes and markets from its US-based subsidiary, KNeoWorld Inc., and sells on an annual seat license basis through its KNeoWorld.com portal via education departments and distribution agreements. During the quarter, KNW recorded \$355,000 in revenue with \$168,000 loss. KNW had \$840,000 cash at 30 September 2020.

During the quarter the Company purchased 8,000,000 shares for \$85,181 and 145,721 shares for \$26,374.

11. RooLife Group Limited (ASX:RLG) (“RLG”)

RooLife Group Ltd provides fully integrated digital marketing and customer acquisition services focusing on driving online sales of products and services for its clients. The Company's technology is relevant for any app, website or other digital platform that seeks to provide products or content to end-users. During the quarter, RLG recorded \$600,000 in revenue with \$688,000 loss. RLG had \$707,000 cash as at 30 September 2020.

During the quarter the Company purchased 6,666,666 shares for \$200,000. The Company was also offered 6,666,666 free options, to be issued following RLG shareholder meeting.

12. Vital Metals Limited (ASX:VTM) (“VTM”)

Vital Metals Limited is an explorer of mineral project in Niger and in Burkina Faso, West Africa. During the quarter, RLG recorded \$600,000 in revenue with \$688,000 loss. RLG had \$707,000 cash at 30 September 2020.

During the quarter the Company purchased 3,750,000 shares for \$75,000.

Investment in Unlisted Equities

1. Helbiz Inc. (“Helbiz”):

It is an intra-urban transportation company with a mission to solve the first and last-mile transportation problem of high-traffic urban areas around the world. Helbiz's proprietary software and hardware is integrated into scooters to maximize vehicle life, minimize operational costs and potentially improve safety. Helbiz utilizes a customized fleet management platform, artificial intelligence, and environmental mapping to optimize operations and profitability. The company constantly monitors the platform and captures the data of all rides, riders, scooters, and personnel with

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advanced analytics. This data is then used to properly deploy, monitor and reposition the fleet to meet demand in different areas and maximize ridership. Helbiz completed a US\$10M pre-IPO funding in August 2019.

On June 17, 2019, the Company made an arms-length investment in a 10% convertible note (“Note”) for the amount of U.S \$150,000 with interest at the rate of 10% maturing December 31, 2020. On July 15, 2020, the 10% convertible note converted to Helbiz Inc common shares at a conversion price of U.S \$23.27, valuing Helbiz at US\$90M. The Company now holds 7,150 common shares representing 0.2% of total common shares on issue.

At all times Helbiz and the Company were arms-length and not related parties.

Unlisted Equities (Blockchain Related)

The Company invests in unlisted equities that are Blockchain related and may also help facilitate investment from other Australian sophisticated investors and accredited investors.

1. **Horizon Fintex**

During June 2019, the Company invested US\$400,00 in Horizon Globex. In June 2020, the company rebranded as Horizon Fintex.

There were no new unlisted blockchain investments during the quarter.

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1.3 – Selected Annual Information – not applicable

1.4 – Results of Operations

Quarters Ended	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19
Income (Loss) from continuing operations							
Revenue	2,800	259,835	-	45,455	-	97,253	(1,319)
Direct costs	-	(251,705)	-	-	-	(96,621)	21,181
Net income (loss) from continuing operations	2,800	8,130	-	45,455	-	632	19,862
Income (Loss) from investments							
Interest revenue	15,723	23,588	23,577	25,712	22,783	108,211	19,462
Dividend revenue	-	-	-	-	-	-	3,812
Financial assets at fair value through profit or loss	(204,130)	1,744,558	534,666	(56,649)	575,897	(826,396)	57,205
Asset impairments	-	(638,252)	-	-	-	(2,089,867)	-
Other gains and losses	(6,955)	(18,809)	3,182	-	-	1,146,592	(10,794)
Net income (loss) from investments	(195,362)	1,111,085	561,425	(30,937)	598,680	(1,661,460)	69,685
Net income (loss)	(192,562)	1,119,215	561,425	14,518	598,680	(1,660,828)	89,547
Operating expenses							
AFSL support fees	9,000	9,000	8,568	9,185	9,247	9,123	23,474
Director related costs	120,000	120,000	120,000	118,558	121,442	181,301	85,713
Director- share based payments	-	19,156	(19,156)	-	-	-	-
Insurance and professional fees	116,652	159,012	104,478	189,110	142,957	183,033	109,487
Listing and share registry fees	14,749	52,147	-	13,304	33,944	15,519	1,787
Travel expenses	-	(431)	-	17,539	39,595	54,082	29,311
Other expenses	11,954	6,364	35,165	45,081	5,234	53,975	(4,582)
Total operating expenses	272,355	365,248	249,055	392,777	352,419	497,033	245,190
Comprehensive Income (Loss)	(464,917)	753,967	312,370	(378,259)	246,261	(2,157,861)	(155,643)
Basic and diluted earnings cents per share (adjusted)**	(0.598)	0.969	0.402	(0.486)	0.317	(2.774)	(0.200)
Weighted average number of ordinary shares (adjusted)**	77,798,218	77,798,218	77,798,218	77,798,218	77,798,218	77,798,218	77,798,218

** On December 2 2019, the company completed a share consolidation of 1 new ordinary share for every 20 shares on issue

For the three months ended September 30, 2020 the Company reported a comprehensive loss of \$464,917 (2019: \$246,261 profit). In the previous quarter ended 30 June 2020, the Company reported a profit of \$753,967.

The reported loss comprises net income from operations \$2,800, a net loss from investments of \$195,362 and operating expenses of \$272,355.

Net income from operations for current quarter and the previous quarter comprises COVID-19 related government funding partially offset by a small cryptocurrency trading loss in the previous quarter.

The net loss from investments of \$195,362 represents a negative portfolio return of 2.1% for quarter. Portfolio performance was adversely affected by fair value losses totaling \$386,000 relating to Constellation Technology Limited (ASX:CTI) listed shares and unlisted options. During the quarter the CTI share price fell 25% from \$0.032 to \$0.024. The remainder of the portfolio returned 7.4% for the quarter including strong performances from the Company's recent investments or reinvestments in Candy Club Limited (ASX:CLB), Roolife Group Limited (ASX:RLG), Great Western Exploration Limited (ASX:GTE) and Golden Deeps Limited (ASX:GED).

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Operating expenses also referred to as the “costs of doing business” (CODB) for the quarter of \$272,355 compares favourably to the previous quarter of \$365,248 and the prior corresponding period of \$352,419. The prior year quarterly CODB run rate adjusted for one off CSE listing related costs was \$282,000.

1.5 – Summary of Quarterly Financial Position

	As at	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19
Current Assets								
Cash and cash equivalents		3,468,203	4,349,767	2,793,980	3,221,037	3,095,294	2,255,897	2,994,063
Trade and other receivables		13,229	12,704	4,342	12,319	15,862	78,896	1,642,220
Inventory (cryptocurrencies)		47,200	47,200	937,156	685,452	685,452	685,452	342,983
Financial assets		3,680,251	3,126,095	2,999,964	1,559,547	2,049,695	2,560,894	2,898,182
Intangible assets		-	-	109,217	109,217	109,217	210,086	-
Other current assets		47,301	11,328	21,418	32,663	32,956	-	15,632
Total Current Assets		7,256,184	7,547,094	6,866,077	5,620,235	5,988,476	5,791,225	7,893,080
Non-Current Assets								
Financial assets		1,427,635	1,608,567	1,460,783	2,448,057	2,484,162	2,451,486	1,533,631
Intangible assets		-	-	-	-	0	0	914,750
Goodwill		-	-	-	-	-	-	-
Total Non-current Assets		1,427,635	1,608,567	1,460,783	2,448,057	2,484,162	2,451,486	2,448,381
Total Assets		8,683,819	9,155,661	8,326,860	8,068,292	8,472,638	8,242,711	10,341,461
Liabilities								
Current Liabilities								
Accounts payable		120,756	127,681	72,003	106,649	132,736	149,070	89,959
Total Current Liabilities		120,756	127,681	72,003	106,649	132,736	149,070	89,959
Total Liabilities		120,756	127,681	72,003	106,649	132,736	149,070	89,959
Net Assets		8,563,063	9,027,980	8,254,857	7,961,643	8,339,902	8,093,641	10,251,502
Equity								
Share Capital		67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788	67,635,788
Reserves		0	-	-	19,156	19,156	19,156	19,156
Retained Earnings		(59,072,725)	(58,607,808)	(59,380,931)	(59,693,301)	(59,315,042)	(59,561,303)	(57,403,442)
Total Equity		8,563,063	9,027,980	8,254,857	7,961,643	8,339,902	8,093,641	10,251,502

During the quarter cash balances decreased by \$881,564 to \$3,468,203. The decrease comprises outflows relating to new and additional ASX listed investments \$693,595 and costs of doing business (net) \$319,403 partly offset by proceeds from the investment sales \$116,741 and interest income \$14,693.

1.6 – Liquidity and Capital Resources

As at June 30, 2020, the Company had cash and cash equivalents on hand of \$3,468,203 (June 30, 2020: \$4,349,767)

Shareholder's equity as at September 30, 2020 was \$8,563,063 (30 June 2020: \$9,027,980).

1.7 – Off Balance Sheet Arrangements

As at June 30, 2020, there were no off-balance sheet arrangements to which the Company was committed.

1.8 – Transactions with Related Parties

Refer to note 4 of the September 30, 2020 Condensed Interim Consolidated Financial Statements (Unaudited).

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1.9 Fourth Quarter – not applicable

1.10 – Proposed Transactions

The Company has no proposed transactions as at the date of this document.

1.11 – Critical Accounting Estimates

There have been no changes in during the reporting period.

Refer to note 2(l) of the June 30, 2020 Audited Annual Financial Statements.

1.12 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”)

There have been no changes in accounting policies during the reporting period.

1.13 – Financial Instruments and Other Instruments

Refer to note 14 and 15 of the September 30, 2020 Condensed Interim Consolidated Financial Statements (Unaudited).

1.14 – Other MD&A Requirements

Share Capital

There were no changes in Share Capital during the reporting period.

For further details refer to note 10(b) of the September 30, 2020 Condensed Interim Consolidated Financial Statements (Unaudited).

Share Options

Details of options issued during the reporting period are set out below:

	Number on issue
Balance, July 1, 2020	Nil
Movements during the period	
Advisor options granted	1,000,000
Balance, September 30, 2020	1,000,000

The options granted during the period form part of the consideration for services rendered under investor relations and corporate advisory consulting arrangements. Each option carries the right to acquire one fully paid ordinary share. The terms attached to the options are set out below:

	Tranche 1	Tranche 2
Grant date	August 4 2020	August 6 2020
Number granted	500,000	500,000
Exercise price (Canadian dollars)	\$0.28	\$0.28
Expiry date	August 4 2021	August 6 2021

For further details refer to note 10(b) of the September 30, 2020 Condensed Interim Consolidated Financial Statements (Unaudited).

1.15– Subsequent events

The Company holds a 14.4% equity interest SQID Technologies Limited carried at \$1,784,849 (CSE:SQID)

On November 23, 2020 SQID issued a news release as follows:

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“The Company is a payment processor for online debit and credit card payment. The standards for payment processing are established by the Payment Card Industry Data Security Standard (“PCI”). PCI is an information security standard for organizations that handle credit cards from the major card schemes (Visa and MasterCard) and must ensure a high level of integrity and compliance of its payment processing at all times to appropriately manage its risk. Senior management of the Company changed early this year and as a result of a review by the new management the Company has advised its customers that changes were required to meet the required level of PCI compliance. We could not obtain this from a large group of customers representing about 94% of the Company’s operations. Regrettably the Company is unable to continue to provide service to these customers. The loss of these customers will have a material impact on revenue and earnings in the short to medium term. The Company will undertake a restructure of its team and downsize its overheads to manage costs. The Company has an established and highly scalable payment platform that does not require ongoing development or R&D to maintain. With further efforts into sales and marketing the Company aims to recover the revenue and earnings profile in the short to medium term. Sqid has a strong balance sheet of \$3M cash, no debt and a good sales pipeline, and is actively reviewing a number of acquisition opportunities to complement its payments software and intellectual property”

Given the above, the Company is reassessing the long term value of its SQID holding and in the interim will also be guided by SQID share trading price levels.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may have a significant effect on the financial operations of the company, the financial performance of those operations or the financial position of the company in the subsequent financial year.

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RISK FACTORS AND UNCERTAINTIES

An investment in the Ordinary Shares of the Company should only be made by persons who can afford a significant or total loss of their investment.

Risk of No Return on Investment: There is no assurance that the business of the Company will continue to be operated successfully, or that the business will continue to generate sufficient or any income to meet its obligations. There is no assurance that an investment in the Ordinary Shares will earn a specified rate of return or any return over the life of the Company.

Uncertainty of Additional Financing: There are no assurances that the Company's future working capital will be adequate to execute its business plan or objectives as contemplated herein. The Company does not have any commitments to obtain additional financing and if required in future, there is no assurance that the Company will be able to arrange for such financing, or that such financing will be available on commercially reasonable terms. The failure to obtain such financing on a timely basis could have a material adverse effect on the Company. Equity financing and the additional issuance of equity securities will result in the substantial dilution to the Company's shareholders.

Global Financial Conditions: Global financial conditions over the last few years have been characterized by volatility and the bankruptcy of several financial institutions or the rescue thereof by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favorable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of the Ordinary Shares may be adversely affected

Risks Specific to the Company

Reliance on the Directors and Officers: The Company has a small management team composed of the directors and the unexpected loss of any of these individuals would have a serious impact on the business. They are responsible for the successful operation of the Company. At present, there is no key-man insurance in place for any members of the management team. The loss of services of any of these personnel to develop the business and make appropriate decisions in respect of the management thereof could have a material adverse effect on the business of the Company.

Covid 19 Virus Disruption: The Company operates in three areas: (i) it provides advisory services to listed and unlisted companies, (ii) it is licensed in Australia to present investment opportunities to accredited investors in Australia and earn commission fees and invests across a diversified portfolio of different asset classes. These three items are all affected as the companies involved in each area are likely to be negatively affected directly or indirectly by the Covid 19 Virus.

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RISK FACTORS AND UNCERTAINTIES (cont.)

Conflicts of Interest: The directors and officers of the Company are not in any way limited or affected in their ability to carry on other transactions or business ventures for their own account or for the account of others, and may be engaged in the ownership, acquisition and operation of businesses, which compete with the Company. Investment in the Company will not carry with it the right for either the Company or an investor to invest in any investment or venture of the directors and officers of the Company, or to any profit therefrom or to any interest therein. The directors have a responsibility to identify and acquire suitable investments on behalf of the Company. To the extent that an opportunity arises to enter into such an agreement, the directors of the Company have the discretion to determine whether the Company will avail itself of the investment opportunity and, if it does not, any of the directors of the Company will be able to decide amongst themselves whether to pursue the opportunity for their respective accounts. If the investment opportunity did not arise solely from their activities on behalf of the Company, the directors of the Company have no obligation to offer an investment opportunity to the Company. Future conflicts of interest will be dealt with in accordance with applicable laws, statutes and regulations.

Operational Risks: The Company will be affected by several operational risks against which it may not be adequately insured or for which insurance is not available, including: catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labour disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. The Company may also be subject to or affected by liability or sustain loss risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Technology Risk: The Company's Blockchain and Digital Currency assets use advanced technologies, which are susceptible to rapid technological change and there is no assurance that adequate responses will be made in a timely manner to successfully overcome the technological challenges and changes.

Digital Assets Risks: Lack of regulation, acceptance, price stability and volatility.

Lack of Regulation: Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure. To the extent that Cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in Cryptocurrency prices. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. In the past several years, a number of Cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed exchanges were not compensated or made whole for the partial or complete losses of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Lack of Acceptance: Traditional banks and banking services may limit or refuse the provision of banking services to businesses that supply Cryptographic or Cryptocurrencies as payment and may refuse to accept money derived from Cryptocurrency-related businesses. This may make management of bank accounts held by companies operating in the field difficult.

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RISK FACTORS AND UNCERTAINTIES (cont.)

Competition: All aspects of the Digital Currency and Blockchain industries – in particular the development of pre-ICO, ICOs, digital currency security providers and digital currency exchanges face significant competition. The rapid pace of innovation and development within the industry, together with the high number of competitors and relatively low barriers to market entry mean there is no guarantee the Company’s ventures in these industries will be effective or profitable. Refer to the Company’s prospectus to which this MD&A is attached for a list of competitors.

Legal and Regulatory Risk: A key concern often raised about digital currency is its ability to hinder or evade law enforcement and facilitate criminal activity due to users being anonymous and the transactions are outside the usual channels of international finance and government regulation. It is unclear what the regulatory response will be and whether that response will seriously impact the digital current market.

Valuation and Price Volatility of Cryptocurrencies: Cryptocurrency prices are highly volatile, can fluctuate substantially and are affected by numerous factors beyond the Company’s control, including hacking, demand, inflation and expectations with respect to the rate of inflation, global or regional political or economic events. One Bitcoin had a value of U.S. \$20,000 in December 2017, \$3,430 in December 2018 and in 2019 it has fluctuated between lows of approximately \$3,300 and a high of \$12,360. At the end of October 2019, it was around \$8,300. Cryptocurrencies may be subject to momentum pricing, which is typically associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of Cryptocurrencies, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Company’s investments.

Management of Growth: The Company may experience a period of significant growth that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and directors to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train motivate and manage additional future staff. The Company’s current and planned personnel, systems, procedures and controls may be inadequate to support its future operations. There are no plans to hire additional staff at this time.

Increases in Competition: There is significant competition from other much larger well-established successful investment companies with larger staff and resources to evaluate investment opportunities, in particular established financial institution such as banks. There is no assurance that the Company’s investment strategy will be successful or more successful than its competition. Any material deterioration in the Company’s competitive position could materially adversely affect the Company’s business, operating and financial performance.

Exposure to Adverse Macroeconomic Conditions: The Company is exposed to changes in general economic conditions in Australia and internationally and is affected by macroeconomic conditions such as tariffs and other trade barriers, economic recessions, downturns or extended periods of uncertainty or volatility all of which may materially adversely affect the Company’s business, operating and financial performance.

Acquisition Risk and Associated Risk of Dilution: The Company’s possible expansion strategy includes pursuing acquisitions. The successful implementation of acquisitions will depend on a range of factors including acquisition costs, funding arrangements, business cultural compatibility and operational integration. To the extent acquisitions are not successfully integrated with the Company’s existing business, the financial performance of the Company could be materially adversely affected. Future acquisitions may involve the issue of Ordinary Shares for consideration. In this event, Shareholders’ interests will be diluted. Ordinary Shares may also be issued for other purposes such as debt reduction. Effective due diligence by the Company is ongoing to minimize the risk in integrating acquisition targets although this cannot be guaranteed. There are no specific acquisitions proposed at this time.

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RISK FACTORS AND UNCERTAINTIES (cont.)

Currency Exchange Risk: The Company is exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations. In particular, exchange rate fluctuations may affect the value of its assets located in North America and Cryptocurrencies are generally sold in U.S. dollars.

Unforeseen Expenses: All expenses that the Company is aware of are taken into account. There is a risk that unforeseen expenses may develop which could materially negatively affect the business operations.

Permits and Government Regulations: There are currently no permits or government regulations in Australia that affect the Company's operations beyond business license requirement and the requirements of the Corporations Act, 2001.

Environmental and Safety Regulations and Risks, Climate Change: There are currently no environmental laws and regulations affect the operations of the Company. None are anticipated as the Company's does not have physical operations other than business offices. The Company, like all other businesses and persons in the world is exposed to the effects of climate change. The direct effects on the Company's business is not foreseeable at this time.

List Not Exhaustive: The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders. The above factors and others not specifically referred to above may in the future materially affect the financial performance of the Company and the value of the shares.

DISCLAIMER FOR FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

Investors should consider that the investment in the Company is speculative, carefully consider the foregoing risk factors and should consult their professional advisers to assess income tax, legal and other aspects of an investment in the Shares before making financial decisions regarding a purchase of the Company's Ordinary Shares.

APPROVAL

The Board of Directors of the Company approved the disclosure contained in this MD&A on November 30, 2020.