



Company Research Reports

INITIAL RESEARCH REPORT: FirstGrowth Exploration & Development Services Corp. (Formerly FirstGrowth Capital)

Trading Symbols

TSX-V: FGC (CA); FGWPF.PK (USA); FFT: G8Q (Frankfurt)

Analyst Rating – Speculative Buy 12 Month Price Target – \$2.00

Stock Snapshot (TSX-V)**

Stock Closing Price (06 Sep 2007):	\$0.85
52 Week High/Low Price:	\$1.45- \$0.74
Market Cap:	\$15.7M
Average Volume:	16K (Jul-Sep 07)
Common Shares Outstanding:*	29.7M
Shares in Escrow:	16.1M (by mgmt, 54%)
Free Trading:	13.5M
Warrants:*	10.5M @ \$1.75
Fully Diluted:*	41.3M

* As at August 1, 2007

** All amounts quoted in this report are in Canadian Dollars

Report Highlights

- We rate FirstGrowth as a Speculative Buy with a 12-month price target of \$2, based on an assessment of its present growth rates, as well as fundamental & technical factors in those industries where its services are primarily used – Oil, Gas and Mining. Our methods are explained on Page 19 of this report.
- We believe the company is strategically positioned to establish a major footprint as a services provider to companies engaged in energy and mineral exploration through its offering of cutting edge technology via the acquisition of Kinetex, Inc, a pioneer in digital seismic imaging. Currently, FirstGrowth has few significant competitors in the type of imaging technology it provides, an advantage that it can now exploit to build market share, as more E&P firms learn the value of its technology. Existing “A” list clients include diamond producer and jeweler De Beers.
- The company is guided by a seasoned and intelligent management that has methodically plotted its growth. Some key accomplishments have been achieved in less than two years of its existence. Sales for the first half of 2007 were in excess of \$9 million, already matching total sales for 2006, with 2007 sales expected to reach \$12.5 million by September 30, 2007.

Company Overview

Based in Vancouver, B.C., Canada, FirstGrowth Exploration & Development Services Corp. was incorporated in February 2005. It was initially created as an acquisition vehicle called FirstGrowth Capital and registered as a “Capital Pool Company” under the rules of the Canadian TSX-V, until such time as it achieved a “Qualifying Transaction.”

On October 27, 2006, the company met its Qualifying Transaction requirement with the acquisition Calgary-based Kinetex Inc., purchasing 98.63% of the company. Kinetex is a seismic imaging company using cutting edge technology and innovative techniques offering significant cost savings to E&P companies.



Effective August 17, 2007, FirstGrowth Capital formally changed its name to FirstGrowth Exploration & Development Services Corp.

FirstGrowth’s acquisition of Kinetex was the first step in the company’s business strategy to grow organically and through strategic acquisitions. While technically a subsidiary, Kinetex will nevertheless be the primary source of revenue growth for the company at least for the near-term. Virtually all of FirstGrowth’s revenue for the year ended December 31, 2006 includes the results of Kinetex for the last 66 days of the fiscal year. Fourth Quarter ‘06, revenue, which includes Kinetex’ revenue from October 27, 2006 to December 31, 2006, totaled \$2,218,747, bringing the annual revenue total to \$ 2,268,462. Moreover, Kinetex had un-audited revenues of \$9,266,311 for the year ended December 31, 2006, compared to \$4,971,436 for 2005. EBITDA for 2006 increased by \$1,006,851 to \$1,852,931 from a 2005 EBTIDA of \$846,080. As such, future growth prospects have to be seen in light of this rather strategic acquisition, which is what launched FirstGrowth into the type of company its founders sought to create.

The Kinetex Acquisition

Kinetex was founded 10 years ago by Leonard van Betuw as a geophysical service provider of digital seismic imaging, data acquisition, processing and archiving to the oil, gas and mining industries. Mr. van Betuw is highly regarded among his peers in the seismic imaging and services universe, which has been described as “large and fragmented.”

The acquisition of Kinetex was financed by the issue of 14 million in FirstGrowth common shares to Kinetex shareholders, based on Kinetex having a net book value on the closing date of approximately \$3.5 million. 2,182,800 of these shares were held in escrow to be released over six years, with 10% being released when the TSX approved the transaction. An additional 10 million shares were issued to Mr. van Betuw (at an

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exercise price of \$0.1 deemed by the TSX), the shares being escrowed and to be released over six years. Additionally, FirstGrowth issued a further 2,000,000 new shares at \$1/share to provide additional working capital. Each fully paid up new share has 1 transferable warrant at an exercise price of \$1.75/share for two years from the date of issue.

Also, FirstGrowth issued 2.23 million shares in new options for directors, employees, investor relations and certain independent contractors.

Business Value of the Kinetex Acquisition to FirstGrowth

A combination of global supply & demand, as well as investor demand, have contributed to driving the prices of oil, gas and coal, along with those of gold, silver, uranium and copper in recent years. These factors have resulted in both the expansion and creation of new exploration and production (E&P) companies to address world demand needs.

Exploration is perhaps the riskiest and most speculative part of the effort to extract oil, gas and metals from the Earth. It is not unusual for E&P companies to have cash burn rates of \$700,000 to \$1,000,000 per month to be spent on drilling operations that may or may not yield success. This is especially challenging to smaller, independent explorers, whose financings may only cover a few months of drilling operations; if their efforts are unsuccessful, operations are forced to cease until more capital can be raised. As much of that capital often comes in the form of debt financing, it places a further burden on the company to be successful.

Geologically speaking, the challenge always comes down to locating exactly where oil, gas or mineral deposits lie beneath the Earth's surface, and being able to quantify and distinguish between different types of deposits. Successful exploration efforts therefore require explorers to be able to "see" what's underground, which in practical terms is either a choice between some type seismic imaging technology and/or actually drilling and testing for deposits.

Much of the seismic imaging technology in use today is in the neighborhood of 30 years old and analog-based, leaving a certain margin for error in pinpointing optimum drilling targets. Given the significant cash burn rates often involved, it would obviously benefit E&P companies to have a cost-effective means optimizing their drilling programs before committing time, funds and personnel to the undertaking.

Herein lies one of the key values of the Kinetex acquisition to FirstGrowth, whose new technology we believe offers a 21st Century response to the seismic imaging challenge. Kinetex' services primarily consist of the planning, preparation and collection of acoustic seismic sounding generated through either an impulse (sub-surface set explosives charge) or a vibroseis surface source (a series of electronically controlled buggy or track hydraulic acoustic wave generators). These acoustic waves propagate through the sub-surface and result in a series of varying reflected wave fronts of the encountered geological formations at different rates and angles due to the different make up and construction of each formation. The reflected acoustic waves then reach the surface, where they are recorded by seismic equipment. By documenting the travel of these waves through the Earth in such a manner, the seismic equipment and subsequent processes

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generate *detailed digital information*, or subsurface images, on the underlying composition of the earth.

The seismic data obtained by the company is subsequently processed and displayed as two and three dimensional visual descriptions of the underlying geological structures in an area, or as underground maps in both two and three dimensional forms. Kinetex' VectorSeis® Technology digital technology provides a full wave set of data that enables explorers to *distinguish* between oil, gas, coal, sand, water, etc, as well as geological fractures. Because of the high resolution and large volumes of data generated, the company has been able to successfully adapt this technology to mining applications. To date, standard seismic technology has been mostly limited to oil & gas applications.

This greater imaging precision can save clients time and money, not only in the planning stage, but at the testing stage as well, where analog imaging can require crews of up to 50 people in the field, who may spend half of their time fixing wire breaks. Kinetex' technology reduces crew sizes to 12, offering greater mobility and more productive time spent in the field. The technology also reduces significantly the impact on the local environment, and its data quality is sensitive to operating environment changes.

Business Model & Strategy

The acquisition of Kinetex establishes FirstGrowth as a Canadian seismic imaging leader, capable of providing cost-effective services to the oil, gas and mining exploration industry. FirstGrowth's stated objective is to continue to maximize the organic growth of its Kinetex subsidiary. The addition of experienced personnel and equipment strengthens its domestic market presence and allows entry to international business opportunities. Once such opportunity has already developed with the recent signing of an international contract in Colombia. Given the relatively few competitors it has in digital seismic imaging, FirstGrowth is in the somewhat unique position of being able to offer its services at a premium, yet still provide a cost-effective solution to budget-conscious E&P companies, whose costs would still result in savings when compared to using standard seismic methods.

With respect to the seismic services business itself, data acquisition is the largest component, accounting for about 80% in cost terms. Through the acquisition of Kinetex, FirstGrowth is now well positioned in this key sector of the business.

Beyond this, the company's model also anticipates acquisitions that are accretive to its core business, or that may provide operational or other synergistic benefits. These include acquisitions and/or development of complementary business services such as Data Processing, permitting it to build a library and license acquired data, as well as Reservoir Management. This latter category would allow the company to establish a footprint in the development side of the services business, as the same data acquisition methods can be used to help extend the productive life of existing fields and mines before they might be prematurely abandoned. The company believes these efforts would provide accelerated growth in conjunction with a broader revenue base, consisting of

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both exploration and development services, offering recurring revenue and thus adding substantial enhancements to its cash flow.

For the nearer-term, however, and with respect to more immediate revenue growth, data acquisition remains the principal focus, and best allows FirstGrowth to leverage the strategic advantages gained through the acquisition of Kinetex. A relatively small operation (25 full-time management and supervisory staff), Kinetex has been profitable, with proven YOY growth. The company has built a loyal client base, consistently winning repeat business. By way of example, Kinetex completed 7 projects for a single major oil and gas exploration company in 2006. "A" list clients have included leading diamond producer and jeweler De Beers, the US Geological Survey, and Cameco Corp, the world's largest uranium producer.

The oil & gas industry is starting to recognize the tangible benefits of full-wave digital technology, and the enhanced imaging and improved resolution provided is instrumental in solving problems and reducing uncertainties at all stages – from exploration through to production. This trend is expected to continue, as additional petroleum resources become harder to find and existing fields require enhanced management tools in order to maximize recovery. The costs of drilling for both the oil & gas and mining industry continue to escalate; therefore, by obtaining quality full wave seismic data, exploration companies can narrow down potential drilling targets and thereby reduce the costs associated with unsuccessful exploration.

During 2006 approximately 25% of FirstGrowth/Kinetex' business was from the mining sector and 75% from oil and gas. Going forward, the company expects that revenues will be weighted 50/50 between the two sectors. Kinetex had been functioning with two field crews, which enabled it to increase its revenue by approximately \$5 million over 2005. With recent rounds of financing obtained by FirstGrowth in April and August 2007, the company expects to have three fully committed crews in the field before the close of the year.

Contracts have historically been in the \$250,000 to \$750,000 range, though with its larger field capacity, project size has increased to the \$1.5 to \$2.5 million range. FirstGrowth's business model is very scalable and can easily "ramp up" its capacity with the addition of new equipment and trained crews. The company recently spent in excess of \$ 9.5 million for additional seismic equipment to increase its field capacity, but does not see itself as having any excess capacity in the near-term. Based on billable services to-date and on anticipated contracts, FirstGrowth expects revenue of approximately \$12.5 million for the nine months ended September 30, 2007. With additional equipment now available in the field, the company expects it will be able to maintain its level of growth in the future.

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Financial Information

Results of Operations

Two Year Comparative Information

	2006	2005
Revenue	2,268,462	0
Cost of Sales	663,415	0
General Administration	1,854,762	126,245
Net Loss	(636,278)	(119,254)
Net Loss per Share (basic and diluted)	(0.07)	(0.03)
Total Assets	14,048,292	352,797
Total Long Term Financial Liabilities	2,475,636	0
Total Liabilities	6,870,368	48,571
Shareholders' Equity	7,177,924	304,226

Comparison of the Years

The company was a capital pool corporation until its qualifying transaction with Kinetex closed on October 27, 2006. The comparative information above basically reflects the closing of the transaction and records only 66 days of Kinetex' revenue. The revenue for the quarter which included Kinetex' revenue from October 27, 2006 to December 31, 2006 totaled \$2,218,747, bringing the annual revenue total to \$ 2,268,462.

For comparison purposes, Kinetex Inc. had revenues of \$9,266,311 for the year ended December 31, 2006 compared to \$4,971,436 for 2005. The EBITDA for 2006 increased by \$1,006,851 to \$1,852,931 from a 2005 EBTIDA of \$846,080. Since for all practical purposes, revenues for FirstGrowth in 2006 were essentially those of Kinetex, 12-month retained earnings would otherwise have been \$927,000, with gross margins of 42%.

Consolidated administrative costs for the year totaled \$1,854,762 which included administration costs for Kinetex from October 27, 2006 to December 31, 2006. These administrative costs included \$702,683 in stock based compensation.

The Company has not paid any dividends on its common shares, and has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

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Summary of Quarterly Results

	Period from Incorporation February 10 to September 30, 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007
Revenue	\$2,788	\$4,203	\$4,026	\$8,172	\$23,170	\$2,233,094	\$5,047,585	\$4,412,744
Net (loss)	\$(104,880)	\$(14,374)	\$(8,640)	\$(10,135)	\$(15,955)	\$(601,548)	\$335,973	\$(1,132,816)
Net Profit (loss) per share	n/a	n/a	n/a	n/a	n/a	n/a	0.01	(0.04)

In its first full quarter following the Kinetex acquisition, FirstGrowth reported Q1 2007 revenues of \$5 million, and a net profit of \$335,973, or \$0.01 per share. The second quarter ended June 30, 2007, however, saw revenues lower by 12% compared to Q1. While operationally the company had a satisfactory second quarter, generating top line revenue of \$4,412,744, lower sales revenue were attributed to a general postponement or reduction in the exploration budgets of the oil & gas industry in Western Canada, which reduced demand for seismic services. The company was also challenged by wet weather and a longer than expected Spring breakup. This impacted margins, although the company was still able to generate reasonable cash flows. The company continued to take delivery of key equipment during the second and third quarters, which will enable it to meet its field commitments.

The second and third quarters are seasonally the slowest and most challenging operationally for the industry, and the company thus focused on expanding its mining services and international opportunities. The recent signing of an international contract in Colombia reflects the effort to expand its global presence. FirstGrowth expects this trend to continue and is currently in the final negotiation stages of additional international projects.

No new financings were done in the second quarter; however, an additional \$4,200,000 was raised in the third quarter. In the third quarter the company also took possession of approximately \$1,500,000 in equipment, \$1,000,000 of which was funded by HSBC Leasing Ltd. Based on current and pending contracts the company's top line revenue guidance for the 9 months ending September 30, 2007 is \$12.5 million. Kinetex' historic field margins in the range of 30% - 35% are expected to be maintained.

On a year to-date basis, the company has generated sales of \$9,449,724 and EBITDA of \$572,290. EBITDA was negatively impacted by stock based compensation which totaled \$667,935 for the first half. This is a non-cash expense the company feels is necessary to help in acquiring and maintaining scarce talent.

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Liquidity and Capital Resources

FirstGrowth has financed its operations to date through the issuance of debentures and common shares. With the acquisition of Kinetex Inc. the company is now cash flow positive and intends to grow its asset base by way of a combination of debt and equity. As at June 30, 2007, the company had a working capital position of \$2,719,670 and a cash position of \$1,172,716.

From 2006 to date, total financings have raised \$16,662,249. As earlier mentioned, during the as yet incomplete third quarter, FirstGrowth completed a non-brokered private placement financing for aggregate proceeds of \$4,200,000. The private placement consisted of 4,000,000 units at a purchase price of \$1.05 per unit. Each unit consisted of one share and one full share purchase warrant. One whole warrant entitles the holder to purchase an additional share in the company at the price of \$1.75 for 24 months. The units are subject to a four-month hold period following the closing.

A major portion of the placement was taken by various funds managed by Sprott Asset Management. According to FirstGrowth's President and CEO Gil Schneider, "This strategic business relationship with Sprott is an important milestone for the company. Many of Sprott's resource clients are prospective clients of FirstGrowth." Also known as SAM, Sprott Asset Management is a private, independent fund company, owned by its employees. Currently, SAM manages over C\$5 billion in assets among its various long/short equity strategies, mutual funds and managed accounts.

Of the total \$16.6 million raised in financings since January 2006, in excess of \$9,500,000 has been allocated to the purchase of new equipment, with the balance going to working capital and to fund the public company. The financings also enabled the company to assist its Kinetex subsidiary in increasing its capacity and in taking on international projects.

Loans to Subsidiary

As at June 30, 2007 the company made loans to its Kinetex totaling \$10,389,332 bearing interest at the rate of 8% per annum. These funds have been postponed to its senior lender in order to provide an adequate lending base for its bank lines of credit. It is the company's intention to continue to support its operating subsidiary in this manner in order to provide the financial basis for strong organic growth. Subsequent to June 30, 2007 an additional \$500,000 has been lent in support of additional equipment purchases required to ramp up international operations.

Related Party Transactions

During the initial organization period and through the date of the closing of the Qualifying Transaction, directors and officers provided services without remuneration. Subsequent to the Qualifying Transaction, the company entered into management services agreements with two of its directors/officers through a company controlled by Gil Schneider, Chief Executive Officer and Vern Stromkins, Chief Financial Officer. Pursuant to this agreement \$102,000 was paid out in the first half 2007. \$4,803 was paid to post SEDAR filings. Filing fees charged were in line with fees generally charged for this service. Rental payments of \$9,800 for the first half of 2007 were paid to a company

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in which director Bill Calsbeck has a minority interest for shared premises. In addition, the company entered into a 10 month consulting contract with that company to provide consulting on the public markets. As of June 30, 2007, \$30,000 has been paid under this arrangement. Fees of \$21,000 were also paid to Travis Schneider, operating as Corporate Communication Services, to provide internal corporate communications.

Key Risks

Investors should consider the risks below before making an investment in FirstGrowth. Other risks may also apply.

Dependence on Key Personnel

The company is substantially dependent upon a number of key employees, in particular Kinetex founder Leonard van Betuw. The loss of any one or more of the Company's key employees could have a material adverse effect on its business. Competition for qualified personnel in the Company's industry may prove to be intense, and it may have to compete for personnel with companies that have substantially greater financial and other resources than it does. Failure to attract and retain qualified personnel could have a material adverse effect on the Company's business operating results and financial condition.

Dilution

While the company has been successful in its financings, the generation of cash flows to fund growth will likely require 2-3 more years. Cash flows are therefore unlikely to meet more immediate financing requirements. It is anticipated that each crew added may require some additional equity participation, in addition to available debt financing. There can be no assurance that such financings will be available if needed, or on terms satisfactory to the company. Should new shares be added to meet financing needs, existing holdings would be diluted.

Competition

The resource services industry is very competitive and is made up of some very large operators. While the company currently enjoys lead time, the digital technology it utilizes is not proprietary to FirstGrowth or Kinetex. In time, increased competition in its niche could result in significant price competition, reduced profit margins or loss of market share. The Company may not be able to compete successfully with existing or future competitors and cannot ensure that competitive pressures will not materially and adversely affect its business, operating results and financial condition.

Commodity Prices

Expenditures on the search for and management of natural resources has to a large extent been influenced by the demand and price of the resources. It is therefore difficult to project the future demand for the company's services if natural resource prices were to alter significantly, and a reduction in exploration activity were to result. This represents the biggest single risk factor to the company's growth and is entirely beyond management's control or influence.

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Key Risks (cont.)

Environmental Regulation

FirstGrowth's business and operations are subject to environmental regulations in the various jurisdictions where it operates. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the company's business or operations.

Management of Growth

The company could experience growth that could put a significant strain on its managerial and financial resources. FirstGrowth must implement and constantly improve its operational and financial systems and expand, train and manage its employee base to manage its growth. In addition, the company expects that its operational and management systems will face increased strain as a result of the expansion of its services. The company might not be able to effectively manage the expansion of its operations and systems, and its procedures and controls might not be adequate enough to support its operations. Also, management may not be able to make and execute decisions rapidly enough to exploit market opportunities for the expansion of FirstGrowth's services. If FirstGrowth is unable to manage its growth effectively, its business, results of operations and financial condition will suffer.

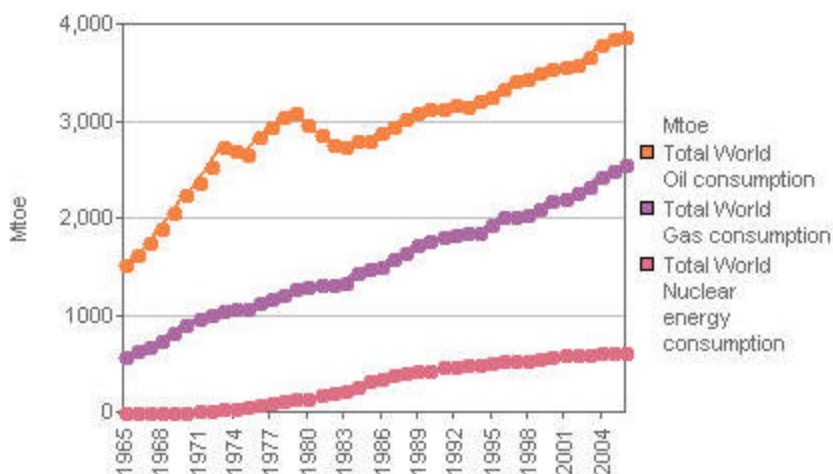
Market

Geophysical Market/Seismic Services

- The Canadian geophysical market is valued at between \$700 million and \$1 billion per annum.
- The Worldwide geophysical market is valued at approximately \$10 billion and growing, with the mining industry still in an emerging stage.
- The global seismic market exceeded \$9 billion in 2006, up 40% over 2005.
- Growth for 2007 is expected to reach 20%, or \$11 billion, judging by new orders.
- Utilization rates for certain services have surpassed 90%, triggering a sharp increase in prices; 10% in 2005, over 30% in 2006, and by more than 50% for surveys requiring specialized equipment.
- Capital expenditures by oil & gas majors have increased by 40-45% for seismic and drilling for 2006-2007.

Spending on seismic services has clearly grown in response to increases over the past few years in oil, gas and metals prices. The increase itself is both a function of supply & demand – and also importantly – investor demand. We review these various inputs influencing spending trends by E&P companies.

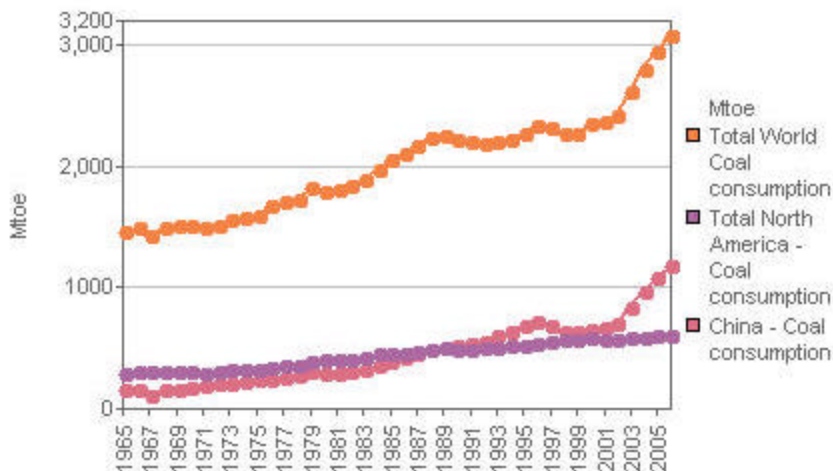
Supply & Demand - Energy



Source: BP Statistical Review of World Energy 2007

In the Energy area, the BP Statistical Review of World Energy (June 2007), an authoritative source on energy market trends, reported global oil consumption (demand) grew by 0.7% in 2006, while natural gas consumption grew by 2.5%. Nuclear power output also rose by 1.4%.

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Source: BP Statistical Review of World Energy 2007

Coal continued to be the world's fastest-growing hydrocarbon in 2006, with global consumption up by 4.5%. China, the world's leading coal user, saw consumption up 8.7% from 2005. As the chart above suggests, China accounted for more than 70% of the growth in global coal consumption.

Despite some moderation in oil consumption, largely in response to the record price highs achieved in 2006, global energy consumption overall continued to rise. Production levels among the energy groups were mixed – flat among oil producers, but up for natural gas and coal producers.

Supply & Demand – Metals & Mining

It should be no surprise that Canada, which is rich in a diverse array of natural resources, is one of the world's leaders in mining operations. Below, we summarize recent supply & demand trends reported for various classes of metals.

Gold

The World Gold Council (WGC) reported in July that global demand for gold jewelry in the Q2 2007 reached \$14.5bn, an all-time record. New dollar records were also set for industrial demand, up 9% on Q2 2006, and for net retail investment, up 60%. Total identifiable demand for gold was \$19.8bn, 27% higher than a year earlier and the second highest quarter ever. In dollar terms, identifiable demand for gold in the first half of 2007 was more than double the level of just four years earlier – up 124%, three times the nominal growth rate of the global economy. Demand for gold jewelry doubled over the same period.

WGC also reported that overall supply remained tight in the second quarter, falling 7% from year-earlier levels, with a fall in scrap supplies more than offsetting higher net central bank selling. Mine production rose by 3% from year earlier levels. Scrap supplies fell 27% from the exceptionally high level of one year earlier. With consumers largely accustomed to current prices, the amounts of gold jewelry sold back were much lower.

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Silver

As reported by The Silver Institute, total global silver fabrication dipped by a little under 1% in 2006 to 840.5 Moz, in spite of a trend toward significantly higher and more volatile silver prices. Most notably, industrial applications, a key component of the demand complex, posted a 6% gain, recording the fifth consecutive year of growth in this category. China posted strong industrial demand growth at 10.4%, and Japan recorded an equally impressive 10% increase in 2006. Last year represented a record for the United States with respect to total industrial silver use, posting a 6% increase to 106.8 Moz. Total industrial demand exceeded 50% of total global fabrication demand for the first time in 2006.

On the supply side, global silver mine production edged up fractionally in 2006, with notable gains in Latin America and Asia. Total silver mine production reached 646.1 Moz last year, with Peru, Mexico, China, Australia and Chile the top five silver mining countries. Last year, silver generated at primary mines fell by 10 percent to 161.4 Moz, representing 25 percent of global silver production. Total scrap supply provided the market with 188.0 Moz of silver in 2006, virtually unchanged from 2005.

Uranium

With the prospect of nuclear power plants recapturing some acceptability as countries consider alternative forms of energy, uranium prices have soared in recent years. Spot prices are hovering in the USD\$85-\$90/pound area at this writing. A July 2007 report by the World Nuclear Association (WNA) notes that there was very little uranium exploration between 1985 and 2005, so the significant increase in exploration currently being seen could readily double. On the basis of analogies with other metal minerals, a doubling of price from present levels could be expected to create about a tenfold increase in measured resources, over time.

With respect to supply, the WNA further notes that over half of the world's production of uranium from mines is from Canada, Australia and Kazakhstan, and that after a decade of falling mine production to 1993, output has generally risen since then and now comprises 61% of demand for power generation. Canada produces the largest share of uranium from mines (25% of world supply from mines), followed by Australia (19%) and Kazakhstan (13%). As of 2006, underground mining accounted for 41% of production, the highest of all supply categories.

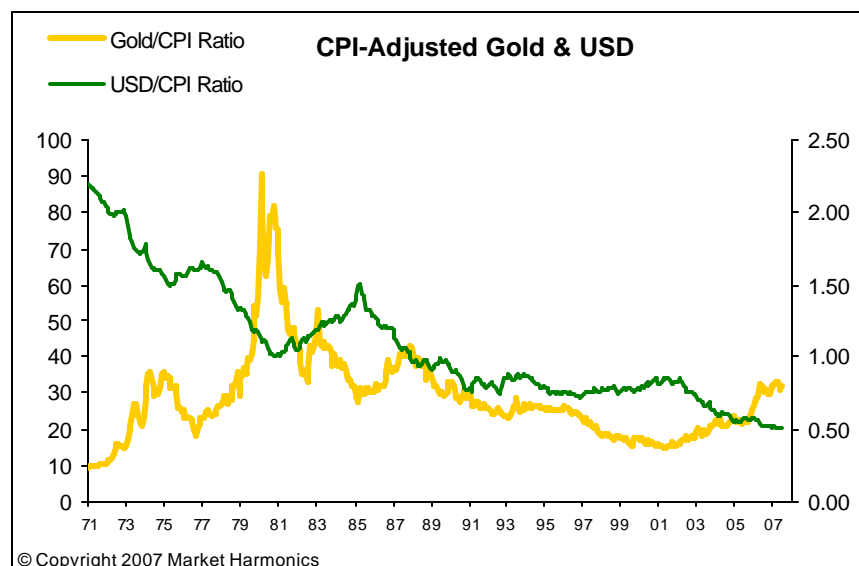
Copper

The International Copper Study Group's 2007 Statistical Yearbook covers world copper supply and demand data for the 10-year period 1997 – 2006. According to ICSG data, world copper mine production rose by 30% during the 10-year period, at an annualized average growth rate of 3%. Also notable was significant production growth from expansions and new projects in Australia, Brazil, China, Indonesia, Iran, Kazakhstan, Peru, and Russia.

In China, copper demand over the 10-year period increased more than 190%, leading to a growth in total Asian refined usage of 70%. In Europe, demand grew by 22%, boosted by Russian demand. However, refined copper usage in the United States and Japan fell by 24% and 11%, respectively.

Investor Demand, USD Weakness & Inflation

Investment in exploration & production in the metals markets is somewhat more sensitive to spot (i.e., cash) market prices for the metals, as compared to oil and gas, for which there is a more or less built-in demand. For example, while explosive industrial and manufacturing demand was seen for gold in the first half of 2007, spot prices for the commodity were mostly rangebound over the same period. This was in part due to selling by hedge funds, who represent a significant part of the investor demand equation. Offsetting this was the highest level of de-hedging ever reported by gold producers, a clear signal that the miners believe gold prices should generally remain on the high side, and are thus less willing to sell-forward at current prices.



One factor that will support metals prices, and commodity prices in general, would be a further decline in the US Dollar. The above chart illustrates that as inflation has increased, the buying power (and thus the value) of the USD has fallen in proportion. At the same time, dollar deterioration has supported the rise in gold prices.

Metals trading often takes its cues from trader activity in the gold market, and thus it is a useful proxy when considering spot prices for the overall metals complex. It would appear that even if investor demand wanes (such demand being primarily subjective) and price consolidations were to occur, inflationary pressures would nonetheless support a higher price climate for commodities, as compared to their bear market price lows at the start of the decade.

FirstGrowth's Competitive Advantages & Opportunities

In light of our foregoing discussion, we believe FirstGrowth is well positioned to build market share in the resource services arena.

Imaging Technology Advantage

FirstGrowth serves two distinct customer bases with its imaging services – the oil and gas E&P market, and the mining industry. In practical terms, the company has about four competitors, of which really only one, Dawson Geophysical, has a similar high resolution technology. Dawson is larger, with 1,000 employees and revenues of \$168 million, but is U.S.-based and primarily U.S.-focused. It is thus unlikely to compete directly with FirstGrowth, especially in Canada, where FirstGrowth already enjoys a lead among clients and repeat business.

Another lead that FirstGrowth enjoys is simply that of being out in front. At present, most of its prospective competitors use older technology, into which they have made large investments in survey equipment over time. Thus, for a competitor to adopt the same technology, the considerable cost of writing off existing equipment must be weighed against the advantages of switching. The oil & gas industry has been a bit slow to adopt new technology, and an immediate ramp-up by a competitor to capture market share is unlikely, particularly considering the upfront capital investment required. To that extent, FirstGrowth essentially acquired a “turn-key operation” when it acquired Kinetex. While ultimately, user demand will force seismic services providers to offer the newer technologies in order to remain competitive, FirstGrowth's management estimates it has a 3-year lead, allowing it a good period of time to capture market share.

Capital Spending on E&P - Energy

According to a June 11, 2007 report published by the ChangeWave Research Alliance, which polled decision-makers at 168 oil & gas companies, industry resource shortages were reported in all areas, most notably Professional and Drilling Personnel, though with some noted improvement for Drilling Services & Drilling Equipment since the previous survey conducted in October 2006. The survey results also pointed to steady capital spending growth in the natural gas and oil sector for the next 12 months, with 70% of respondents reporting their company's overall capital budget would increase. A slight decline, however, was reported for the Exploration investment growth rate – *with the price of drilling services continuing to hinder investments in exploration*. Still, 60% of those engaged in exploration say their company will invest more over the next 12 months. Industry price assumptions for 2007 and 2008 were also higher than they were in the previous survey.

We added the italicized emphasis above, precisely because the high resolution, cutting-edge technology offered by FirstGrowth responds directly to the cost-saving needs of exploration drilling programs, representing a clear area of opportunity for the company.

Capital Spending on E&P – Mining

Significant increases in capital spending are also expected to be seen right in FirstGrowth's backyard. According to the Minerals and Metals Sector (MMS) of the Canadian government, capital investment in the mining industry, including non-conventional oil extraction, is expected to increase to \$20.6 billion in 2007, up nearly 30% from 2006. The change is due almost entirely to increased investment in the non-conventional oil extraction industry. Capital investment growth in the mining industry will outpace the average increase of investment spending in Canada of 4.65% in 2007. Mining will be responsible for almost 40% of capital investment in the natural resource sectors.

High commodity prices are driving investment spending in the metal ore mining sector upwards by nearly 8%. Spending in the gold and silver ore mining sector will increase nearly 60% to \$728.7 million. The nickel-copper ore mining sector also intends to increase investment in 2007 from \$595 million to \$727 million, as producers respond to rising demand. Not all sectors in the metal ore mining industry will increase capital investment. After reducing investment by 39% last year, the coal industry plans to increase investment spending by 23% to \$452.1 million. This increased level of investment is in response to the significant rise in the price of coal.

Globally speaking, business investment has surged as mining companies have increased spending on infrastructure and equipment to keep pace with Chinese demand for commodities. On August 29, the Australian Bureau of Statistics data showed capital spending on plant and equipment was up 6.3 per cent to almost \$21 billion in the second quarter of 2007. Global mining giants BHP Billiton and Rio Tinto bolstered their capital expenditure plans, with the former having announced an \$85 billion pipeline of projects the week previous.

The evident global trend in increased capital spending by mining companies also quite clearly offers FirstGrowth the opportunity to leverage its specialized technology and widen its market share, both domestically and internationally.

Senior Management & Directors

Gil G. Schneider

President, Chief Executive Officer and Director, Member of the Audit Committee

Mr. Schneider began a career in management consulting in 1977 as Regional Sales Manager of Versa Services, one of Canada's largest service management organizations. Mr. Schneider left Versa Services, a Toronto Stock Exchange listed company with revenues in excess of \$500,000,000 and 15,000 employees, in 1992 as the Vice President of Western Canada Sales. In 1992 Mr. Schneider pursued a consulting career and was Vice President of Operations of Restauronics, a national food service management company owned by the former President and Chief Executive Officer of Versa Services. In 1993 Mr. Schneider negotiated the purchase of the Community Care Purchasing Group and assumed the position of General Manager. This group was a network of health care agencies in the Province of British Columbia partnering to share their best strategies for improving service quality and cost performance. In 2000 Mr. Schneider sold his interest in the Community Care Purchasing Group to ARAMARK Corporation and signed onto a five year consulting contract as Manager, New Business Development, which has now concluded. While at ARAMARK Mr. Schneider was instrumental in negotiating a contract with the Vancouver Coastal Health Authority valued at over \$100,000,000. In 1999 Mr. Schneider became President of VentureCorp Capital Inc., a venture capital pool corporation listed on the then CDNX, which was subsequently transformed into Bioteq Environmental Technologies Inc (TSX-V: BQE) ("Bioteq"). Mr. Schneider has subsequently resigned from that position but retains an equity position in Bioteq.

Vern V. Stromkins

Chief Financial Officer and Director

Mr. Stromkins has 40 years experience in the banking and financing industry. He formerly provided consulting services to G & F Financial Group, a Credit Union with assets of approximately \$1 billion. Mr. Stromkins has specialized in the sourcing, identification and financial analysis of new mid-market commercial businesses with growth potential and in real estate financing. He has also been responsible for preparing innovative financial packages for business with strong potential. He has previously worked for Toronto Dominion Bank, Business Development Bank, Traders Group Ltd. and the Royal Bank of Canada. Mr. Stromkins also has investments in a number of private companies. In 1999 Mr. Stromkins became Chief Financial Officer and Secretary of VentureCorp Capital Inc., a venture capital pool corporation listed on the then CDNX, which was subsequently transformed into Bioteq. Mr. Stromkins subsequently resigned from that position but retains an equity position in Bioteq.

Bill G. Calsbeck

Director, Member of the Audit Committee

Mr. Calsbeck brings over 25 years of capital markets and micro-cap experience to FirstGrowth. Bill began his career in Banking and Trust services and after several years moved into the Human Resource field providing consulting services to clients such as the Vancouver Stock Exchange, Expo 86, MDA, and several major financial institutions. His duties extended from executive recruiting and board Member selection to financial

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planning, mergers and acquisitions, IPOs, and capital raising. Bill brings a great deal of diverse experience to FirstGrowth, having been involved in a wide variety of industries such as Oil and Gas, High Tech, Biotech, and Communications, and in raising hundreds of millions of dollars for client firms, both in equity and in capital market buying. Bill's focus for FirstGrowth is on areas such as market awareness, liquidity and communications.

Leonard Van Betuw

Director, CEO Kinetex Inc.

Mr. Van Betuw has extensive geophysics experience over a period of 16 years with a focus based approach on providing exploration economics and management. After graduating with a BSc in Geophysics from the University of Saskatchewan in 1987, he began his career as a field service technician with Veritas Geophysical, currently known as Veritas DGC. Later he joined Western Geophysical in Western Canada and Venezuela where he was part of a regional management team in Venezuela with Pioneer Exploration. He also held a senior management position with Airborne Resource Development. From his management experience gained at Veritas, Western Geophysical, and Airborne, he founded NRG Services and served as President and COO for five years before selling the business to his partners. In 1998 he co-founded Kinetex Inc. Mr. Van Betuw has extensive field experience in over one hundred projects in numerous locations around the world. His technical background includes integrated quality control, 3D seismic survey design, data processing and seismic modeling. His extensive practical experience in economics and management provide a strong basis for Kinetex Inc.

Valuation & Stock Price Projection

Speculative Buy: We currently rate FirstGrowth a Speculative Buy. Under our definition, such a rating indicates our belief that the company's business model, as well as any other significant advantages it enjoys in the sector/industry in which operates, justifies consideration of an investment. We consider the Buy to be speculative, because an investment in the company carries above-average risk that investors should also consider. For example, stocks of micro-cap companies may be subject to higher than average volatility due to lower liquidity, and the stock may continue to trade at a discount to its peers. Lastly, the rating reflects our belief that prospective investors may need to have a long-term outlook when investing in the company, also understanding that all of their investment is at risk.

Valuation Method

Considerations

While FirstGrowth's business model calls for eventual expansion into Data Processing and Reservoir Management, we focus our projections on its core competence of Data Acquisition. As noted previously, this is the largest of the three seismic services areas with respect to revenue and sales, and it is also the primary business of Kinetex, which, for all practical purposes, is now the primary business of FirstGrowth. As such, and because of the 10-year history that Kinetex brought into the acquisition, our projections for the balance of FY2007 and forecasts for FY2008 draw somewhat on Kinetex' past performance, as now augmented by the additional financing obtained by FirstGrowth.

For 2007, H1 yielded revenues of \$9.4 million. Management guidance is for sales of \$12.5 million by Q3. Attainment of total 2007 revenues of about \$20 million we think would be possible, considering that the company achieved earnings of \$9 million in H1, and managed to do so with its two existing crews, and facing numerous challenges. However, it should also likely depend on FirstGrowth adding the third field crew, which it expects to have in place during H2. Also, and in light of the slow-down in oil & gas exploration experienced in Q2, the company expects that about 50% of annual revenues will come from stepped-up sales to the mining sector. As noted earlier, spending in Canada on this sector is expected to rise by 40% in 2007. The cost of setting up a crew is between \$6-\$7 million, depending on the number of sensors required, which cost \$3,000 each. With an EBITDA of about 32%, this should make the payback period relatively brief.

The global seismic services market is \$9 billion, with Canada alone representing about \$700 million. FirstGrowth/Kinetex' business is primarily domestic, and its share of the Canadian market is currently 1.5%, leaving much room for further growth. With the recent signing of a contract in Colombia, it is now poised to expand its market share internationally, and exploit the estimated 3-year technology lead that it enjoys. Its scalability, which will be further enhanced by a third crew in 2007 and probable fourth crew in 2008 should make it quite responsive to business opportunities and needs as they arise.

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Estimates

Based on the foregoing, we believe it possible for the company to maintain gross margins of around 42% percent, and achieve an EPS of \$0.02 per diluted share for FY 2007 based on gross revenues of about \$20 million, and rising to \$0.04 per diluted share for FY 2008 on an estimate that it can achieve gross revenues of about \$30 million next year. We are also estimating EBITDA per share earnings of \$0.12 for 2007, and \$0.23 for 2008.

In Thousands of CDN

	FY 2007E	FY2008F
Revenues	20,000	30,000
EBITDA	5,189	9,664
EBITDA/Share	0.12	0.23
EPS Diluted	0.02	0.04

For our estimates, we treat FirstGrowth as a new entity, and set our baseline from the point of the Kinetex acquisition forward. As such, to arrive at a reasonable stock pricing model, we based our fundamental outlook on how its industry cohorts have tended to perform, reviewing the average trailing 12-month Price/EBITDA and Price to Earnings multiples for oil & gas services, and the mining sectors. We then took the average of both to apply to our estimated EBITDA/Per Share for FirstGrowth, as reflected in the above table.

The industry comparisons, while used primarily as a guideline, we believe are still reasonable. As the table below suggests, our projected EBITDA/Per Share for FirstGrowth falls generally within those of the averages for the two sectors. As such, forward P/E estimates should likely as well – on the assumption that FirstGrowth can hit sales targets in 2007 and 2008, and on the further assumption that its debt levels don't significantly exceed current levels.

Price/EBITDA – Oil Gas Services	14.90X (TTM)
Price/EBITDA – Mining	8.90X (TTM)
Average Sector Price/EBITDA	11.90X (TTM)
P/E – Oil Gas Services	20.49X (TTM)
P/E – Mining Services	12.43X (TTM)
Average Sector P/E	16.46X (TTM)

Average of Sector Price/EBITDA & Average Sector P/E: 14.18X (TTM)

Our final calculation for the stock price factors in a discount of 25% for the average of these two valuation multiples (14.18X) to allow for company risks and potential micro-cap volatility. The total calculation therefore yields the following price valuations for the stock:

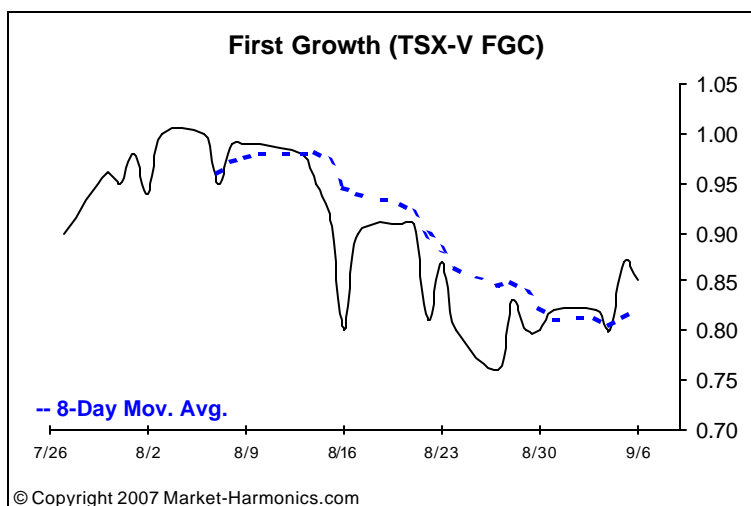
FY 2007E - \$1.34/Share

FY 2008E - \$2.48/Share

Rounded 12-month Stock Price - \$2.00

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Technical Analysis & Market Sentiment



Recent Technicals

The stock reached and bounced from the technical support of its 52 Week Low in August. Trading in the stock proved to be sensitive to bearish conditions in the overall market, and those in the small and micro-cap sectors in particular, that erupted during the Summer. Currently, the stock has recovered about 15%, and is holding above its 8-day moving average, also in an uptrend.

Representative Performance & Sentiment

Symbol	Price	200D MA	Short Ratio	Market Cap
GOK	20.47	29.43	7.10	212.04M
TGE	9.15	9.71	4.30	153.52M
DWSN	73.20	56.89	2.00	561.80M
CGV	54.25	46.03	4.30	1.48B

For technical purposes in analyzing the potential trading trend for FirstGrowth's stock, it is useful to look at the performance of representative stocks of companies that provide seismic services. It helps give us a picture of market sentiment towards the sector. The 200-Day moving average is used technically as a reference to compare a stock's real-time movement to its price movement averaged over 200 days. Of the four companies, two are trading well-above their 200-Day, one (TGE) is within its 200-Day, and one (GOK) is 26% percent below. However, GOK has been rising from a technical low made on August 3rd, and is up over 20% since that time.

We include the Short Ratio (the number of days required to cover outstanding short-sales) for each of the stocks, with the group average indicating 4 days to cover. This level of short interest is moderate, not indicating excessive bullishness or bearishness towards the group. Individual cases will of course vary, although both the technical and sentiment measures suggest investors are favorably disposed towards this sector at the present time.

Ultimately, for FirstGrowth to benefit from the currently favorable technical and sentiment trends in its sector, the company will need to get its story out to investors. Average daily volume for the months of July through September is 16,000 shares, which is well below the daily averages for each of the seismic services companies cited above.

About This Report

The information and statistical data contained herein have been obtained from sources believed to be reliable but in no way are warranted by us as to accuracy or completeness. We do not undertake to advise you as to changes in figures or our views. This is not a solicitation of any order to buy or sell. The above report is the opinion of Market Harmonics and its analyst Tony Carrion, and is not a guarantee that the target price for the stock will be met, or that predicted business results for the company will occur. There may be instances when fundamental, technical and quantitative opinions contained in this report are not in concert. All research is based on public information. No fee was paid in the preparation of this report. Neither the analyst nor research firm have a trading position in the subject security.

Based on the information available, this report reflects our opinion of what the company's rating and share potential could be once research coverage is widely adopted. Investors are urged to consider this report only as a single factor in their investment decision, and should conduct their own further research before making such a decision. Opinions and views expressed in this report are submitted solely for informational purposes.

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