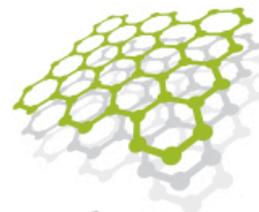


ASX Announcement

BEST Due Diligence Completed

22 March 2017



first graphite

A high-quality graphene producer

Satisfactory Due Diligence Completed

First Graphite (ASX: FGR) is pleased to advise it has satisfactorily completed the technical due diligence on the BEST Supercapacitor project.

Highlights

- Independent scientific due diligence was conducted on the technology by a renowned defence science and technology expert, making the following observation;
 - the science behind the supercapacitor is well developed.
 - Swinburne University of Technology (SUT) is on the leading edge of the strong international drive by research and industry to develop supercapacitor technology.
 - the performance of SUT's capacitor is impressive, being a factor of around 3 higher in energy density than the nearest other superconductor SUT reported. This provides evidence that the SUT invention is significant.

Swinburne University of Technology Supercapacitor

FGR engaged a renowned physicist with over forty years' experience in defence science and technology to complete a scientific due diligence of the SUT supercapacitor technology.

The due diligence report concluded that the science behind the supercapacitor is well developed and technically sound. Furthermore, SUT is on the leading edge of the strong international drive by research and industry to develop supercapacitor technology.

Based on international benchmarking provided by SUT, the performance of their capacitor is impressive, being a factor of around 3 higher in energy density than the nearest other superconductor they reported. This provided evidence that the SUT invention is significant.

FGR had sought opinion on the suitability of the facilities and technology program and the due diligence report confirmed the suitability of the SUT facilities, along with the soundness of the technology goals.

The SUT research program offers the potential for future second-generation development, including interesting concepts such as three-dimensional supercapacitor structures, as well as the direct use of high-quality graphene.

FGR will now proceed to conclude the requisite legal documentation under an extension of time granted by parties, pursuant to the Binding Heads of Agreement.

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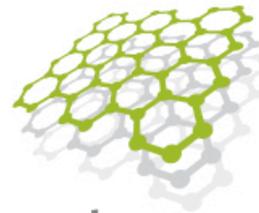
ASX Symbol

FGR, FGROB

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About First Graphite Ltd (ASX: FGR)

First Graphite produces high quality graphene from high grade Sri Lankan vein graphite.

First Graphite seeks to develop graphene production methods and acquire graphene related intellectual property which can provide further revenue related opportunities.

About Graphene

Graphene, the well-publicised and now famous two-dimensional carbon allotrope, is as versatile a material as any discovered on Earth. Its amazing properties as the lightest and strongest material, compared with its ability to conduct heat and electricity better than anything else, mean it can be integrated into a huge number of applications. Initially this will mean graphene is used to help improve the performance and efficiency of current materials and substances, but in the future it will also be developed in conjunction with other two-dimensional (2D) crystals to create some even more amazing compounds to suit an even wider range of applications.

One area of research which is being very highly studied is energy storage. Currently, scientists are working on enhancing the capabilities of lithium ion batteries (by incorporating graphene as an anode) to offer much higher storage capacities with much better longevity and charge rate. Also, graphene is being studied and developed to be used in the manufacture of supercapacitors which are able to be charged very quickly, yet also be able to store a large amount of electricity.

Nature of vein graphite

Sri Lankan graphite deposition model is best described from the 'bottom up': tension fractures formed in the metamorphic sediments, caused by the folding of the sediments, creating 'conduits' for the hydrothermal deposition of high quality vein graphite. Historically, mining of these veins has found the veins generally increase in thickness and grade quality with increasing depth.

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