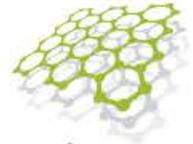


ASX Announcement

12 July 2017

Receipt of Government Approvals for Commercial Graphene Production Facility



first graphite

A high-quality graphene producer

Highlights

- Works Approval has been granted by the Department of Environment Regulation, enabling construction of a graphene production facility at Henderson to commence and be operational in Q4 of 2017.
- FGR will be the first ASX-listed company to attain a commercial graphene production capability.
- The production facility will be funded from existing cash balances.
- Initial capacity will be in the order of 15 tonnes per annum of saleable graphene, based on a single shift operation, five days per week. Multiple shifts could escalate production rates to globally significant levels in the event suitable sales contracts are negotiated.

Works Approval

First Graphite (ASX: FGR) is pleased to advise it is now moving towards the construction of a commercial graphene production facility, having been granted a Works Approval by the Department of Environment Regulation (DER) for its facility at Henderson, Western Australia.

The Works Approval results from the submission of an extensive application to the DER. FGR's independent laboratory testing demonstrated the controls to be used resulted in minimal emissions with these being significantly below the levels set by the regulations. These approvals also account for the necessary occupational health and safety controls.

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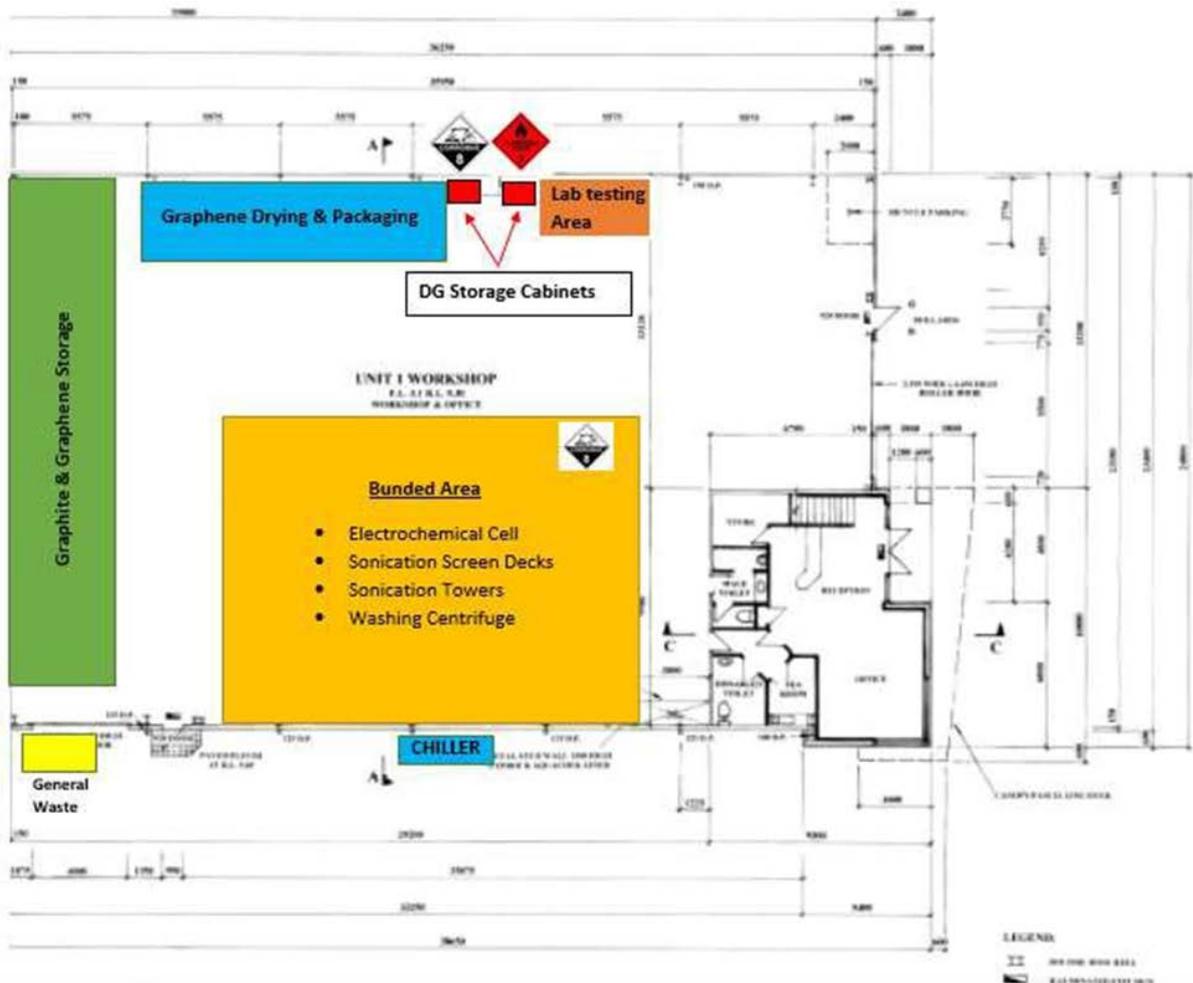
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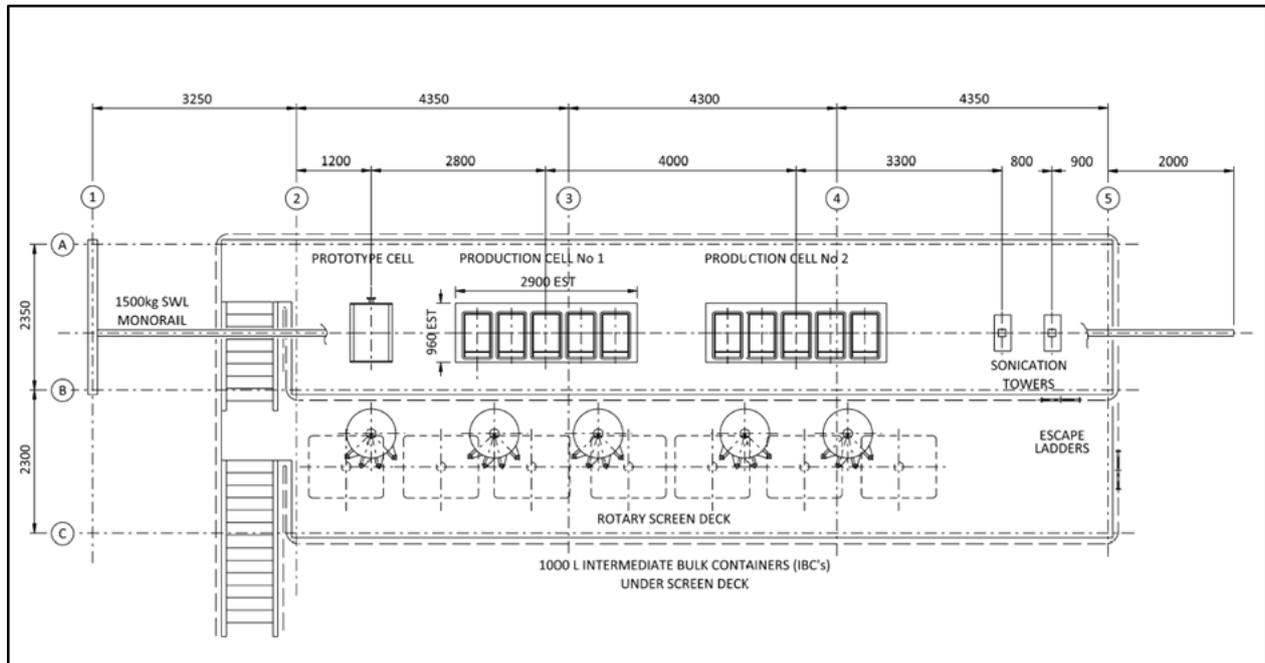
FGR, FGROB





Approval has now been received to construct a Commercial Graphene Facility at FGR's premises in the Australian Marine Complex, Henderson





Graphene Cells, Prototype & Production Plant Layout

Costing and Construction

Preliminary costing for the Commercial Graphene Facility has been estimated at less than A\$1m and the Company has adequate funds to finance this construction.

Final drawings and costings are being received and it is targeted to complete the construction by the end of calendar 2017.

Capacity

The capacity of the facility will be dependent on the number of shifts which are running, which in turn are dictated by orders received. However, at full capacity the facility may produce approximately 90 tonnes of high quality graphene per year.

This demonstrates the ability for FGR to produce significant quantities of high quality graphene for a low capital expenditure.

Commenting on this update, FGR's Managing Director Craig McGuckin said

"The receipt of the Works Approval is the final regulatory step required before the Company can move to cement itself as a globally significant graphene producer. We are very pleased to have come this far in such a relatively short time, overtaking all of our competitors in the process. The Company is about to be perfectly positioned to benefit from the increasing demand for graphene as industry embraces its benefits in a range of industrial materials."



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.

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