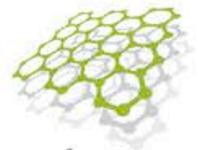


## ASX Announcement

24 November 2017

# Chairman's Address to Annual General Meeting



**first graphite**  
Australia's leading graphene company

Ladies and Gentlemen, welcome to the AGM of First Graphite, soon to become First Graphene.

I would like to say to you, as shareholders, some of the things I said to the audience yesterday at the Opening Ceremony for First Graphene's Henderson Production Facility. This Facility represents both the completion of one journey and the commencement of another.

The first journey commenced in May 2015, when Directors of MRL Ltd, as it was then called, approached me to see if I could arrange for the Sri Lankan vein graphite to be tested for graphene recovery using the electrochemical exfoliation method pioneered by Adelaide University. The tests were done, and they confirmed that not only could graphene be recovered, but of the 50 or more types of graphite that Professor Dusan Losic and his team had tested, the vein graphite gave the best results.

First Graphene then commenced a program with Adelaide University to optimise the process for the Sri Lankan graphite, which led to a scale up from 2.5 Litre vessels to the 250 litre Graphene Cell, 15 months later. Another 6-7 months of optimisation then resulted in plans to construct the facility which you see having been opened yesterday.

There are two very impressive aspects of this wonderfully innovative venture. The first is the very short time frame in which it has been achieved. The second is the very small expenditure that has been involved. Both are a credit to the resourcefulness of the FGR team, led by our Managing Director, Craig McGuckin.

Through careful management and sourcing of equipment for this production facility, management has been able to achieve excellent costs reductions. In many cases these saving have been up to 80%. Rather than accept off-the-shelf quotes from German suppliers, Craig has engaged with manufacturers in China to design and procure equipment at significant savings. That is what good management does for a company. The net result will be a significant saving on the earlier forecast budget of \$1m.

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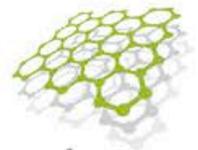
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FGR

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No-one in Australia has been educated and trained to be a manufacturer of graphene. Everyone involved has had to learn on the job, and that learning curve has been very steep. It is a credit to Craig and his team that they were able to learn so quickly, leading to this milestone event. The fact that Craig has had to oversee the task of establishing underground mines in Sri Lanka at the same time makes the company's progress even more impressive.

So, the first journey has taken us to the starting gate for the next journey. Now that FGR has established the production capability, which is expected to be fully operational by the end of January, the next journey will be all about building the sales book. It is about taking the dozens of enquiries that we have received through to firm purchase orders.

To date there has been a chicken and egg debate. Which should come first, the production facility or the sales book? We all know of the enormous potential for graphene, but one of the biggest obstacles to commercialisation has been the availability of supply. Companies like Tesla would love to embrace graphene more fully, but as they said to us a year ago, "we can't get enough supply to warrant us turning our minds to it". Well, that was before we built this facility. Industry will now be able to commit resources to developing commercial applications, taking the science from the laboratories onto the factory floor. It is all about scaling up from here.

The significance of this facility cannot be overstated. It is an example of the innovative drive that the Federal Government has been promoting. It is happening right here in WA, not in Germany or China or the USA. With this facility WA will be a world leader in terms of capacity and quality, and it will be the lowest cost producer of graphene. What a great starting point!

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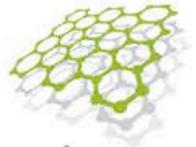
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FGR is wonderfully positioned at the inflection point of an amazing new growth curve with the demand for graphene expected to grow at 60% pa. We offer our shareholders opportunity and optionality. We offer the lowest risk entry point into the graphene business. We are developing IP and working with universities and industry to commercialise and expand the graphene market.

Ladies and gentlemen, welcome to the future of nanomaterials.



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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.

For further information, please contact

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