

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available.
Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

First Graphene Limited

ABN

50 007 870 760

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | 1. Fully Paid Ordinary Shares
2. Listed Options (FGROC) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 63,750
2. 500,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Fully Paid Ordinary Shares issued on exercise of previously issued Listed Options by payment of Exercise Price of \$0.15 per Share.
2. Listed Options entitle the holder to subscribe for one Share upon exercise of the Listed Options. The Listed Options are exercisable at:
(a) \$0.15 each, if exercised on or before 8 August 2019;
(b) \$0.20 each, if exercised after 8 August 2019 but on or before 8 August 2020; and |

(c) \$0.25 each, if exercised after 8 August 2020 but on or before 8 August 2021.

Each Listed Option will expire at 5:00 pm (WST) on 8 August 2021 (**Expiry Date**). Listed Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.

250,000 of the Listed Options vest immediately and the remaining 250,000 are to vest on 18 November 2019.

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

1. Yes
2. The Listed Options rank equally with an existing class of quoted securities - FGROC. Shares issued on conversion of the Listed Options will rank equally in all respects with other shares then on issue.

5 Issue price or consideration

1. \$0.15 per Share paid on exercise of previously issued Listed Options.
2. Listed Options issued to employee in UK pursuant to LR 7.1 capacity.

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

1. Exercise of previously issued Listed Options.
2. To remunerate the UK employee for services provided to the Company.

+ See chapter 19 for defined terms.

6a	<p>Is the entity an †eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the †securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	23 November 2018
6c	Number of †securities issued without security holder approval under rule 7.1	500,000
6d	Number of †securities issued with security holder approval under rule 7.1A	Nil
6e	Number of †securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of †securities issued under an exception in rule 7.2	63,750
6g	If †securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the †issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If †securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 22,025,311 7.1A – 40,456,876						
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	14 May 2019						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="716 648 894 688">Number</th> <th data-bbox="894 648 1308 688">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 688 894 751">437,728,772</td> <td data-bbox="894 688 1308 751">Ordinary Shares</td> </tr> <tr> <td data-bbox="716 751 894 1251">90,895,959</td> <td data-bbox="894 751 1308 1251"> Listed Options exercisable at: (a) \$0.15 each, if exercised on or before 8 August 2019; (b) \$0.20 each, if exercised after 8 August 2019 but on or before 8 August 2020; and (c) \$0.25 each, if exercised after 8 August 2020 but on or before 8 August 2021. </td> </tr> </tbody> </table>	Number	+Class	437,728,772	Ordinary Shares	90,895,959	Listed Options exercisable at: (a) \$0.15 each, if exercised on or before 8 August 2019; (b) \$0.20 each, if exercised after 8 August 2019 but on or before 8 August 2020; and (c) \$0.25 each, if exercised after 8 August 2020 but on or before 8 August 2021.
Number	+Class							
437,728,772	Ordinary Shares							
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9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="708 1318 870 1358">Number</th> <th data-bbox="870 1318 1308 1358">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="708 1358 870 1570">5,000,000</td> <td data-bbox="870 1358 1308 1570">Unlisted Options exercisable at \$0.18 before 26 February 2022.</td> </tr> </tbody> </table>	Number	+Class	5,000,000	Unlisted Options exercisable at \$0.18 before 26 February 2022.		
Number	+Class							
5,000,000	Unlisted Options exercisable at \$0.18 before 26 February 2022.							
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A						

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

- | | | |
|----|--|-----|
| 11 | Is security holder approval required? | N/A |
| 12 | Is the issue renounceable or non-renounceable? | N/A |
| 13 | Ratio in which the *securities will be offered | N/A |
| 14 | *Class of *securities to which the offer relates | N/A |
| 15 | *Record date to determine entitlements | N/A |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A |
| 17 | Policy for deciding entitlements in relation to fractions | N/A |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | N/A |
| 19 | Closing date for receipt of acceptances or renunciations | N/A |
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | N/A |
| 23 | Fee or commission payable to the broker to the issue | N/A |

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Issue date	N/A

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

<p>38 Number of +securities for which +quotation is sought</p>					
<p>39 +Class of +securities for which quotation is sought</p>					
<p>40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
<p>42 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="743 1453 1026 1491">Number</th> <th data-bbox="1026 1453 1307 1491">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="743 1491 1026 1711"></td> <td data-bbox="1026 1491 1307 1711"></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class				

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 14 May 2019

(Director and Company secretary)

Print name:

Peter Richard Youd

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue,	373,795,652
<i>Add</i> the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	<ol style="list-style-type: none"> 1. 39,250 Shares (Exception 4) Appendix 3B dated 13 July 2018. 2. 7,500 Shares (Exception 4) Appendix 3B dated 31 July 2018. 3. 6,250 Shares (Exception 4) Appendix 3B dated 17 August 2018. 4. 4,962 Shares (Exception 4) Appendix 3B dated 23 August 2018. 5. 3,198 Shares (Exception 4) Appendix 3B dated 5 September 2018. 6. 625 Shares (Exception 4) Appendix 3B dated 17 September 2018. 7. 18,888,889 Shares – (Ratified at GM on 14 September 2018) Appendix 3B dated 21 March 2018. 8. 11,100,000 Shares – (Ratified at GM on 14 September 2018) Appendix 3B dated 29 June 2018. 9. 6 Shares (Exception 4) Appendix 3B dated 28 September 2018. 10. 5,000 Shares (Exception 4) Appendix 3B dated 8 November 2018. 11. 1,000 Shares (Exception 4) Appendix 3B dated 28 February 2019. 12. 450,000 Shares (Exception 4) Appendix 3B dated 11 April 2019 13. 199,999 Shares (Exception 4) Appendix 3B dated 15 April 2019

+ See chapter 19 for defined terms.

<ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>14. 1,250 Shares (Exception 4) Appendix 3B dated 23 April 2019.</p> <p>15. 1,437 Shares (Exception 4) Appendix 3B dated 30 April 2019.</p> <p>16. 63,750 Shares (Exception 4) subject of this Appendix 3B.</p>
<p>Subtract the number of fully paid +ordinary securities cancelled during that 12 month period</p>	<p>Nil</p>
<p>“A”</p>	<p>404,568,768</p>
<p><i>Step 2: Calculate 15% of “A”</i></p>	
<p>“B”</p>	<p>0.15</p> <p><i>[Note: this value cannot be changed]</i></p>
<p>Multiply “A” by 0.15</p>	<p>60,685,315</p>
<p><i>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</i></p>	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A 	<p>9,666,670 Shares Appendix 3B dated 17 December 2018.</p> <p>160,000 Shares Appendix 3B 11 January 2019</p>

+ See chapter 19 for defined terms.

<ul style="list-style-type: none"> With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> This applies to equity securities, unless specifically excluded – not just ordinary securities Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	<p>5,000,000 unlisted options Appendix 3B dated 28 February 2019.</p> <p>23,333,334 Shares Appendix 3B dated 11 April 2019.</p> <p>500,000 Listed Options subject of this Appendix 3B.</p>
"C"	38,660,004
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	60,685,315
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	38,660,004
<p>Total ["A" x 0.15] – "C"</p>	<p>22,025,311</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
<p>"A"</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	404,568,768
Step 2: Calculate 10% of "A"	
<p>"D"</p>	0.10 <i>Note: this value cannot be changed</i>
<p>Multiply "A" by 0.10</p>	40,456,876
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p>	Nil

+ See chapter 19 for defined terms.

<p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<p>"E"</p>	<p>Nil</p>

<p><i>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</i></p>	
<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>40,456,876</p>
<p><i>Subtract "E"</i></p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>Nil</p>
<p><i>Total ["A" x 0.10] – "E"</i></p>	<p>40,456,876</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.