Steel Blue Signs Supply Agreement

New boot range incorporating PureGRAPH® to be released

HIGHLIGHTS

- Steel Blue executes two-year supply agreement.
- Under the supply agreement, Steel Blue will exclusively source graphene and any other graphite or graphene products from FGR for the term.
- New safety boots incorporating a PureGRAPH® sole will be launched in the future by Steel Blue.
- Steel Blue is looking to incorporate PureGRAPH® into the Met-Guard and other areas of the boot in future.

Overview

Advanced materials company, First Graphene Limited ("FGR" or "the Company") (ASX: FGR) is pleased to announce the execution of a supply agreement with Footwear Industries Pty Ltd (trading as "Steel Blue") for the exclusive supply of PureGRAPH® for a twenty-four month term ("Supply Agreement").

In August 2019, FGR announced that it was able to successfully incorporate PureGRAPH® into a thermoplastic polyurethane ("TPU"). Previously, the ability to successfully disperse graphene into a TPU masterbatch had been a major limitation for the graphene industry. Extensive research by FGR has resulted in a manufacturing method which has overcome this.

While existing TPU’s already possess high abrasion resistance and tensile strength, the incorporation of PureGRAPH® has improved mechanical properties while providing additional benefits in thermal heat transfer and chemical resistance whilst also reducing permeability.

Steel Blue will look to release future work boots with graphene components, including a TPU sole. This will potentially provide new design solutions and improvements in manufacturing processes and the comfort of the boot.
As announced on 15 November 2019, tests on prototype boots were conducted at Viclab Pty Ltd, one of Australia’s leading NATA accredited and independent mechanical testing services. The prototype boots complied with the following test procedures:

- Impact resistance
- Upper to outsole bond
- Interlayer bond strength
- Slip resistance on ceramic tile floor with NaLS and on steel floor with glycerine
- Sole crack resistance
- Tear strength
- Abrasion (TPU)
- Tensile
- Hydrolysis
- Fuel oil resistance
- Chemical exposure (NaOH)

By including PureGRAPH® additives into the sole, improvements in key properties such as tear strength and abrasion resistance have been measured. Steel Blue have continued to test different applications and processes, with ongoing measuring of outcomes by Viclab Pty Ltd.

Upon successful testing, Steel Blue will look to incorporate PureGRAPH into existing and future models of boots, including the mid-sole and Metguard.

**Other Key Terms of Supply Agreement**

Pursuant to the Supply Agreement, Steel Blue will exclusively source graphene and any other graphite or graphene products from FGR.

FGR’s supply of its graphene products to Steel Blue will initially be exclusive for application in the production of safety footwear for sale in Australia and New Zealand. Following the initial term, exclusivity will only be available to Steel Blue if Steel Blue has achieved (and continues to maintain) a minimum order quantity. The initial minimum order quantity to be achieved in the second year of the Supply Agreement is two (2) tonnes of PureGRAPH®. Based on the currently agreed ordering schedule, product supply to Steel Blue in year one is anticipated to progress to an annualised basis of one (1) tonne as adoption commences across the Steel Blue footwear range and product lines.

Each party has the right to early termination if there is a material breach of the obligations of the other party. Additionally, Steel Blue has the option to extend the initial 24-month term for an additional 48 months.
Craig McGuckin, Managing Director for First Graphene Ltd., said, “The execution of this Supply Agreement represents the first of several anticipated for 2020. We are pleased to have worked with Steel Blue to develop a unique range of safety boots for local and export markets. Graphene is helping our customers to develop new products not previously seen with non-graphene technologies. PureGRAPH® additives are a key enabler in taking elastomers, composites, coatings and concrete materials to a new level and we will continue to seek out further new applications and markets where graphene can add value.”

Garry Johnson, Chief Executive Officer of Steel Blue said “Steel Blue is committed to developing innovative solutions for our customers. We’re excited by the product we have developed with First Graphene. These are two innovative, Western Australian founded companies who are taking new technologies to a world market.”
**About First Graphene Ltd (ASX: FGR)**

First Graphene Ltd. is the leading supplier of high-performing, graphene products. The company has a robust manufacturing platform based upon captive supply of high-purity raw materials and an established 100 tonne/year graphene production capacity. Commercial applications are now being progressed in composites, elastomers, fire retardancy, construction and energy storage.

First Graphene Ltd. is publicly listed in Australia (ASX:FGR) and has a primary manufacturing base in Henderson, near Perth, WA. The company was recently incorporated in the UK as First Graphene (UK) Ltd. and is a Tier 1 partner at the Graphene Engineering and Innovation Centre (GEIC), Manchester, UK.

**About Steel Blue**

Steel Blue is a 100% Australian-owned premium safety footwear manufacturer that continually innovates to provide comfortable, safe and durable work boots. Featuring patented Trisole® Comfort Technology, Ortho Rebound® Footbed and supple leather, all Steel Blue boots are backed by a 100% Comfort Guarantee.

Established in 1995, Steel Blue is Australia’s leading supplier of safety boots and the only one to receive the Australian Physiotherapy Association endorsement. Steel Blue began exporting in 1996 and now services New Zealand, Europe, USA, Papua New Guinea, South-East Asia, West Africa, the Middle East, Trinidad and Tobago.

**PureGRAPH® Range of Products**

PureGRAPH® graphene powders are available in tonnage volumes with lateral platelet sizes of 20μm, 10μm and 5μm. The products are high performing additives, characterised by their high quality and ease of use.

*With authority of the board, this announcement has been authorised for release, by Peter R. Youd*

**Director, Chief Financial Officer and Company Secretary**

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