

June Quarterly Activities Review – Q4 2020

HIGHLIGHTS

- **Major sales agreements executed – large scale manufacturing of protective face masks and new resin composites for swimming pools**
- **Cash receipts from customers quadruple, quarter-on-quarter**
- **Successful entitlement issue raises A\$6.2 million**
- **Strengthened leadership with new appointments**
- **FGR becomes first Australian company to join EU Graphene Flagship group**
- **GEIC facility re-opens after COVID-19 restrictions lift**

Advanced materials company, First Graphene Limited (ASX: FGR or “the Company”) is pleased to provide this update on its financial and operational performance for the quarter ended 30 June 2020.

Appendix 4C quarterly cash flow report follows this update.

1. New supply agreements

A supply agreement was executed in May with planarTECH (Holdings) Limited for 1 tonne (minimum) of PureGRAPH[®] per annum.

The deal includes the development of new anti-static coatings for the large-scale manufacturing of protective face masks, with further graphene enabled products in the PPE sector expected to emerge from the collaboration in future.

In June another supply agreement was executed with Perth-based Aquatic Leisure Technologies (ALT).

The agreement is for the provision of 2.5 tonnes (minimum) per annum of PureGRAPH[®]20 for two years.

The graphene will be applied into the composite resin systems used for the construction of ALT’s award-winning swimming pools.

FGR and ALT successfully collaborated to demonstrate improved flexural strength with the addition of small percentages of PureGRAPH[®] graphene powders.

Immersion testing was completed in accordance with ASTM D750 standards, and confirmed reduced sorption curves, which will reduce the potential for osmotic blistering while providing a technically stronger pool.

ALT is the industry leader in pool innovation. The new range of pools incorporating PureGRAPH[®] will enable a new proprietary construction process and provide the next generation of fibreglass pool technology.

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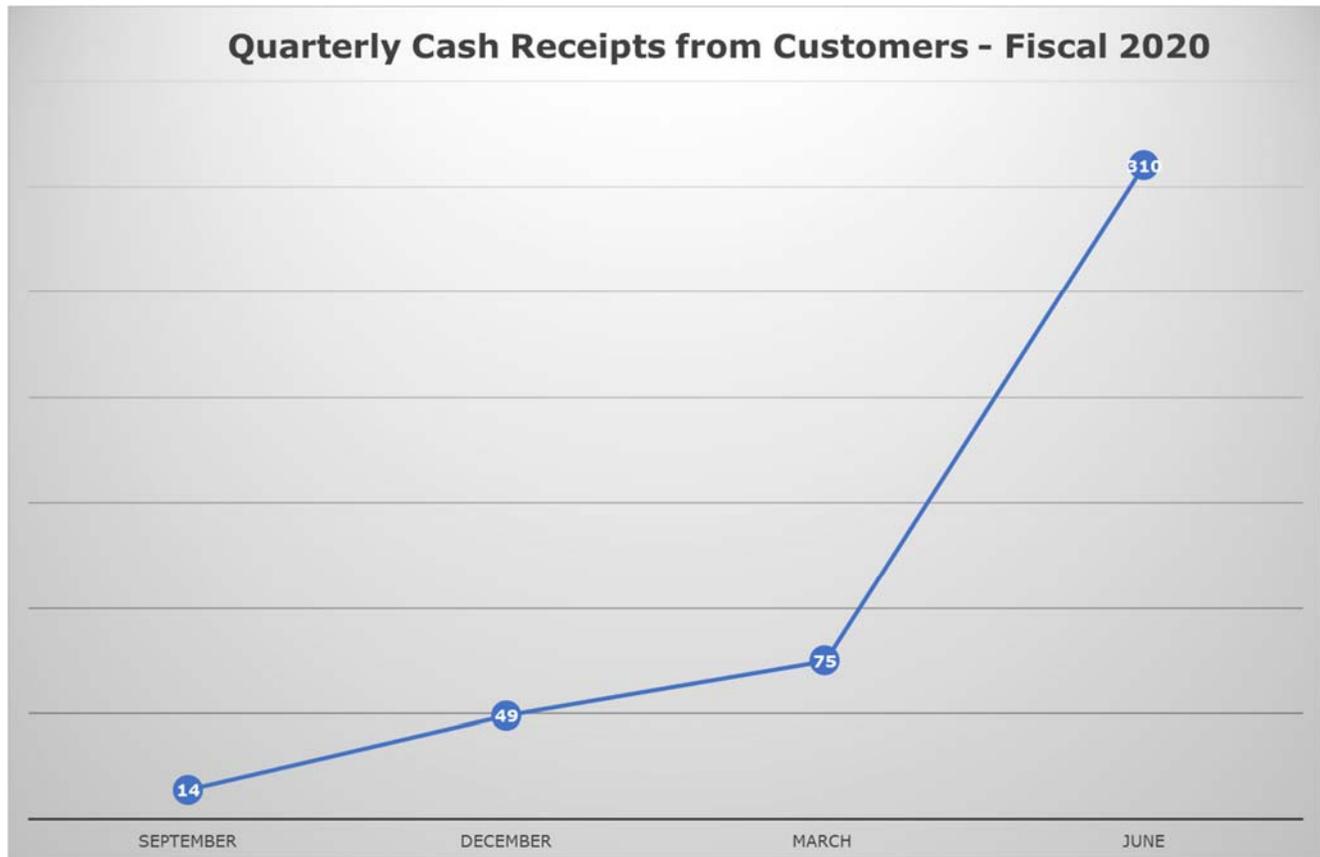
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ASX Symbol

FGR
FGROC
Frankfurt Stock Exchange
FSE:M11

2. Customer cash receipts – Fiscal 2020

Receipts from customers increased significantly as a result of deliveries under existing Supply Contracts.



Source: First Graphene Ltd – Appendix 4C September, December, March & June Quarters

3. Mining Industry Expanded use of PureGRAPH®

In April the Company announced their customer, newGen had provided an additional three liners to another of the major Pilbara iron ore producers. We anticipate that use of PureGRAPH® enhanced liners will become the standard in the industry.

Since the quarter ended, we have been advised the PureGRAPH® enhanced ArmourGRAPH™ liners, which were supplied in August 2019 to an iron ore producer, will continue in operation for a further 10 weeks before being removed for examination.

4. Entitlement Issue

Pursuant to the prospectus announced on 1 May 2020 the Company successfully completed a 1:10 entitlement issue, raising A\$6.2 million.

Proceeds from the entitlement issue will be used for further factory automation, extended marketing and strengthening the Company's balance sheet.

The overwhelming support from shareholders and third-party investors is appreciated and confirmed the Company's progress as the world's leading graphene company.

5. Leadership strengthened

Our leadership has been bolstered with the appointment of Dr Andy Goodwin as Non-Executive Director, who will also transition to Senior Scientific Advisor, with Mr Paul Ladislaus appointed as Chief Technology Officer (CTO).

Dr Goodwin joined First Graphene in 2017 initially as a Technical Advisor before becoming CTO in September 2018. Mr Ladislaus (MA MEng CEng MChemE VR) assumed the role of CTO effective from 1 July 2020.

He joined the Company in November 2018 as Senior Process Engineer and has since led manufacturing process upgrades, product quality programmes and R&D projects in rubber, plastics and supercapacitor technologies.

Dr Goodwin and Mr Ladislaus continue to collaborate ensuring a seamless transition.

6. First Australian company to join EU Graphene Flagship

In June, First Graphene became an Associate Member of the EU Graphene Flagship, an organisation which coordinates nearly 170 academic and industrial research groups in 21 countries and has more than 90 associate members.

FGR through its UK subsidiary is the first Australian entity to be admitted to the consortium. As projects within the Flagship transition from a research and development phase to commercialisation graphene manufacturers with industrial supply capability are required to interact with industry.

7. Further investment in quality – ISO Standards Committee

During the quarter, First Graphene joined the BSI and ISO/TC229 working groups to support the development of graphene characterisation standards.

This will ensure the alignment of the Company's quality processes with emerging international standards – FGR intends to stay at the forefront of controlling the quality of graphene related products.

The Company continued to invest in its processing capability through measurement and automation and is a Tier 1 Member of the GEIC at the University of Manchester with direct access to world-class analytical equipment and techniques and supporting expertise.

The Company intends to continue to invest in analytical methods and process tools to ensure world leading PureGRAPH® product quality for our customers.

8. Safe reopening of GEIC laboratories post initial COVID-19 outbreak

In June, following an extensive risk assessment, First Graphene announced the re-opening of its GEIC laboratories at the University of Manchester, United Kingdom. The laboratories were initially closed in March as a response to the Covid-19 pandemic.

While working remotely the UK team has continued to provide technical support to global customers, completed background research in preparation for technical projects and supported the manufacturing activities at the Henderson site. The team is well prepared for the immediate restart of technical programmes in rubber and TPU additives, supercapacitor materials, fire retardancy and customer application development.

As reported in March 2020, testing of the company's game changing supercapacitor materials was delayed due to COVID-19. Testing of prototype devices is now underway with a world-leading, energy storage research institute and initial results will be reported by September 2020.

9. Website upgrades:

The UK team took advantage of the COVID19 lockdown to upgrade the company website; relocating the hosting to improve speed and security; and appointing a new website partner to assist and refine the website development in terms of web search performance and lead acquisition.

10. Additional Collaboration Agreements

A new collaboration agreement was announced with Hexcyl Systems, for the development of a graphene enhanced high-density polyethylene ("HDPE"), with work already progressing. Foster Plastics Industries also agreed to progress a joint project to develop graphene enhanced ethylene-vinyl acetate ("EVA") products. Note that due to COVID-19 restrictions, work has been hampered.

The company has agreed to support the Manchester based, Graphene Hackathon 2020, as the exclusive supplier of formulated graphene products. The event enables local technology entrepreneurs to design and test devices based upon graphene technologies in real-time.

11. Other Customer Collaborations

Customer interactions across Europe were significantly slowed down during the COVID-19 lockdown across the region. Since June, customer evaluations have restarted. We have multiple potential customers in the composites sector, mostly operating in the transportation and industrial sectors. We are building on our success in composite swimming pools to launch a campaign across the sector.

The company's success in the mining industry is creating interest across the industrial rubbers sectors where improved abrasion and tear resistance are key requirements. There is particular interest in wear-linings (mining and industrial processing), automotive and textile coatings.

12. Outlook

First Graphene Managing Director, Craig McGuckin says the results have been pleasing given the global impacts being felt by COVID-19.

"We've not only quadrupled our cash receipts quarter-on-quarter, we have also raised an entitlement of A\$6.2 million, to be used in further factory automation, extended marketing and balance sheet consolidation," Mr McGuckin said.

"Despite the challenges posed by COVID-19, our operations in Perth and Manchester have maintained momentum, creating commercial opportunities that are significant.

"Our exclusive proprietary technology, PureGRAPH[®], has been registered in six countries and sales now span the globe.

"This includes a major collaboration with UK-based company, planarTECH which is using graphene in the large-scale manufacturing of long-life, re-usable face-masks, and a separate supply agreement with Perth-based Aquatic Leisure Technologies (ALT) to add graphene into composite resin systems for the company's award-winning swimming pools."

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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 is 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.

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*