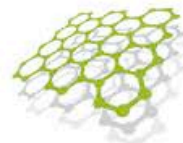


ASX Announcement

25 October 2017

Loyalty Option Issue



first graphite
Australia's leading graphene company

Advanced materials company, First Graphite Limited ("FGR" or "the Company") (ASX: FGR) is pleased to advise it will be proceeding with a **loyalty option entitlement issue** to shareholders.

Under the terms of the issue eligible shareholders will be able to subscribe for one option for every eight shares held at an issue price of \$0.01.

The options will have the same terms as FGR's options currently on issue with an expiry date of 8 August 2021 (**New Options**).

The terms for exercise of the New Options will be;

- (i) \$0.15 each if exercised on or before 2 years or before 8 August 2019;
- (ii) \$0.20 each if exercised after 8 August 2019 but on or before 8 August 2020; and
- (iii) \$0.25 each if exercised after 8 August 2020 but on or before 8 August 2021.

A prospectus for the offer, which will include indicative offer timing and the applicable record date, is currently being prepared. FGR confirms that the market and shareholders will be updated accordingly.

Peter R. Youd
Executive Director, Chief Financial Officer
& Company Secretary

First Graphite Limited

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Warwick Grigor
Craig McGuckin
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Company Secretary

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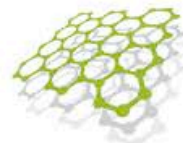
E: info@firstgraphite.com.au
W: firstgraphite.com.au

ASX Symbol
FGR

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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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