



first graphene

The world's leading graphene company

FIRST GRAPHENE LIMITED
ACN 007 870 760

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.13 per Share, together with one (1) free attaching New Option for every one (1) Share subscribed for and issued, to raise up to \$6,175,911 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Warwick Grigor (*Chairman*)
Craig McGuckin (*Managing Director*)
Peter Youd (*Executive Director*)

Joint Company Secretaries

Peter Youd
Nerida Schmidt

Share Registry*

Automic Registry Services
Level 2
267 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664 (within Australia)
Telephone: +61 (02) 8072 1400
(outside Australia)

Email: hello@automicgroup.com.au

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

Registered Office

1 Sepia Close
HENDERSON WA 6166

Telephone: + 61 1300 660 448

Email: info@firstgraphene.net
Website: <http://firstgraphene.net>

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4
The Read Buildings
16 Milligan Street
PERTH WA 6000

2. TIMETABLE

Lodgement of Prospectus with the ASIC	Friday, 1 May 2020
Lodgement of Prospectus & Appendix 3B with ASX	Friday, 1 May 2020
Ex-date	Wednesday, 6 May 2020
Record Date for determining Entitlements	Thursday, 7 May 2020
Offer opening date, Prospectus sent out to Shareholders & Company announces this has been completed	Tuesday, 12 May 2020
Last day to extend Closing Date	Wednesday, 3 June 2020
Closing Date (Offer closes 5:00pm WST)*	Tuesday, 9 June 2020
Securities quoted on a deferred settlement basis	Wednesday, 10 June 2020
ASX notified of under subscriptions	Friday, 12 June 2020
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	Tuesday, 16 June 2020
Quotation of Securities issued under the Offer*	Wednesday, 17 June 2020

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 1 May 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

A summary of some of the Company's key specific risks include:

Risk	Description	Reference in Prospectus
Dilution	Upon implementation of the Offer, assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 475,070,081 currently on issue to 522,577,089 and the number of Options in the Company will increase from 71,904,650 to 119,411,658. This means that each Share will represent a significantly lower proportion of the ownership of the Company. Further if the New Options are subsequently exercised and Shares are issued on exercise of those New Options, each Share will	Section 7.2(a)

Risk	Description	Reference in Prospectus
	represent a significantly lower proportion of the ownership of the Company.	
Going Concern	<p>The Company's Interim Financial Report for the half year ended 31 December 2019 (Interim Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' paragraph included in the Interim Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short-term working capital requirements.</p>	Section 7.2(b)
Growth Challenges	<p>The Company's strategy is to grow annual cash flows through the sale of PureGRAPH® graphene products, technologies and intellectual property licences. The Directors believe significant future growth may require expansion of current commercial production and/or research facilities. The Company's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on all areas of the business and if the Company group is unable to manage its expansion effectively, its business and financial results could suffer.</p>	Section 7.2(c)
COVID-19	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of the coronavirus on its revenue channels and adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>	Section 7.4(a)
Fluctuations in the advanced material industry	<p>The Company's performance is directly linked to the development and sale of its suite of PureGRAPH® graphene products, technologies and intellectual property licences to commercialise these products.</p>	Section 7.3(a)

Risk	Description	Reference in Prospectus
	<p>The Company's business may be adversely affected by fluctuations in the advanced materials industry as well as economic, political and market factors that are beyond the Company's control. These factors can affect the level of investment into development of advanced materials such as graphene and customer appetite for them. All or any of these factors could have a material adverse effect on the Company's business, prospects for growth, financial condition and results of its operations.</p>	
Technology risks	<p>The Company's business depends on technology and is accordingly subject to influence by technological delivery and change. If the Company fails to capitalise upon technological change or anticipate and respond to the demand and industry standards for new or existing products and technologies on a timely and cost-effective basis, or fails to adapt to technological advancements and changing standards, it may be unable to compete effectively.</p>	Section 7.3(c)
Operational failure in the Company's processes	<p>An operational failure in the Company's processes could result in losses. If the products of the Company are not to specification, such errors or failures could have a material adverse effect on its business, financial condition or results of operations.</p> <p>While the Company has in place procedures and controls to seek to prevent and promptly detect failures of its processes, and to mitigate the impact of any such failures, any operational error could have a material adverse effect on its business and cash flows, financial condition, results of its operations and reputation.</p>	Section 7.3(d)
Disruption to the operations of the Company's Commercial Graphene Facility (CGF)	<p>The Company is reliant on production of graphene from its CGF. As a result, any prolonged disruption in the operations of this facility, whether due to technical or labour difficulties, destruction or damage to the facility, real estate or other reasons, could result in increased costs and reduced turnover and the Company's financial condition, profitability and prospects could be harmed.</p>	Section 7.3(f)
Intellectual property risk	<p>The Company may not be able to protect its intellectual property adequately, which could harm the value of its products and brands and adversely affect its business, financial and other conditions, profitability and results of operations.</p> <p>The success of the Company's business depends, in part, on its continued ability to protect its intellectual property and use its existing trademarks in order to increase brand awareness.</p> <p>Although the Company is not aware of any third party interests in relation to the intellectual property rights of the intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and</p>	Section 7.3(g)

Risk	Description	Reference in Prospectus
	medical discoveries, and if any disputes arise, they could adversely affect the Company.	
Litigation and product liability	Legal proceedings, with or without merit, may arise from time to time in the course of the Company's business, including in connection with intellectual property rights. The Directors cannot preclude litigation being brought against the Company and any litigation brought against the Company could have a material adverse effect on the financial condition, results or operations of the Company.	Section 7.3(h)
Graphene price volatility	Historically, the graphene price has fluctuated widely and has experienced periods of significant decline. Graphene prices are affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity as well as general global economic conditions and political trends. Substantial portions of the Company's revenues and cash flow are expected to be derived from the sale of graphene. Therefore, the financial performance of the Company would be exposed to fluctuations in the graphene price.	Section 7.3(i)

3.2 Directors interest in securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$
Warwick Grigor	17,167,065	10,138,244	1,716,707	1,716,707	223,172
Craig McGuckin	7,881,240	3,000,000	788,124	788,124	102,456
Peter Youd	6,511,521	3,052,091	651,152	651,152	84,650

The Board recommends all Shareholders take up their Entitlement. The Directors reserve the right to take up their respective Entitlements in whole or in part at their discretion.

3.3 Details of substantial holders

Based on publicly available information as at 16 April 2020, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Twynam Investments Pty Ltd	24,013,177	5.06

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

3.4 Underwriting

The Offer is not underwritten.

3.5 Effect on control of the Company and potential dilution to Shareholders

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 4.7, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 9.09% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus) from the issue of Shares.

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 16.6% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

Examples of how the dilution immediately following the Offer may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	2.10%	1,000,000	10,000,000	1.91%
Shareholder 2	5,000,000	1.05%	500,000	5,000,000	0.96%
Shareholder 3	1,500,000	0.32%	150,000	1,500,000	0.29%
Shareholder 4	400,000	0.08%	40,000	400,000	0.08%
Shareholder 5	50,000	0.01%	5,000	50,000	0.01%

Notes:

1. This is based on a share capital of 475,070,081 Shares as at the date of the Prospectus and assumes no Options currently on issue or New Options issued under the Prospectus are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

3.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.13 per Share together with one (1) free attaching New Option for every one (1) Share subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no Options are exercised prior to the Record Date), a maximum of 47,507,008 Shares and 47,507,008 New Options will be issued pursuant to this Offer to raise up to \$6,175,911 (before costs of the Offer). No additional funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 71,904,650 Options on issue of which 68,571,317 Options may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be Quoted Options, being Options in the Company's existing quoted Option class, ASX:FGROC, and will rank equally with Quoted Options on issue at the date of this Prospectus. The full terms and conditions of the New Options are set out in Section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

Due to COVID-19, Australia Post are currently experiencing delays in delivery times. As there is no longer priority post there may be delays in the arrival of documents posted to, and by Shareholders. If you intend to participate in the Offer, the Company recommends promptly completing your Entitlement and Acceptance Form and arranging payment by BPAY® or EFT (as applicable) to ensure your acceptance is processed by the Closing Date. You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and

- (ii) arrange payment for the amount indicated on the Entitlement and Acceptance Form by:
 - (A) BPAY® or EFT in accordance with Section 4.6; or
 - (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.5; or
- (b) if you wish to accept your **full** Entitlement and **apply for additional Shortfall Securities**:
 - (i) complete the Entitlement and Acceptance Form for the amount indicated on your Entitlement and Acceptance Form plus any additional Shortfall Securities you wish to apply for. You will be deemed to have applied for that number of Shortfall Securities which in aggregate with your Entitlement is covered in full by your application monies. In order to participate in the Shortfall Offer, you must also apply for your Entitlement in full; and
 - (ii) arrange payment for the appropriate application monies (at \$0.13 per Share) by:
 - (A) BPAY® or EFT in accordance with Section 4.6; or
 - (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.5; or
- (c) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) arrange payment for the appropriate application monies (at \$0.13 per Share) by:
 - (A) BPAY® or EFT in accordance with Section 4.6; or
 - (B) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency in accordance with Section 4.5; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and

- (b) you acknowledge that once the Entitlement and Acceptance Form is returned or a BPAY® payment or an EFT payment instruction is given in relation to any application monies, the application may not be varied or withdrawn except as required by law.

4.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "First Graphene Limited – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.6 Payment by BPAY® or EFT

For payment by BPAY® or EFT, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions or via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by BPAY® or EFT:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Securities which is covered in full by your application monies; and
- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the share registry by no later than 3:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

One (1) New Option with an Exercise Price (as defined in Section 10) of this Prospectus and an expiry date of 8 August 2021 will be issued for every one (1) Share subscribed for and issued under the Offer.

4.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.13 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 4.3(b) and 4.6(c) of this Prospectus.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties not currently Shareholders of the Company.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of additional Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Securities under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

4.8 ASX listing

Both the Shares and New Options offered pursuant to this Prospectus are intended to be quoted.

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.9 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.10 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong and Gibraltar.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the Offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities offered have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Securities) are in Hong Kong, you (and any such person) warrant by lodging an Application Form that you are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

European Economic Area - Gibraltar

The information in this Prospectus has been prepared on the basis that all offers of securities will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in member states of the European Economic Area (**Member States**), from the requirement to produce a prospectus for offers of securities.

An offer to the public of securities has not been made, and may not be made, in a Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the relevant Member State:

- (a) to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- (b) to any legal entity that satisfies two of the following three criteria:
 - (i) balance sheet total of at least €20,000,000;

- (ii) annual net turnover of at least €40,000,000; and
 - (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- (c) to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, MiFID);
 - (d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
 - (e) to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company; or
 - (f) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Hong Kong or Gibraltar without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.11 Enquiries

Any questions concerning the Offer should be directed to Peter Youd and/or Nerida Schmidt, joint Company Secretaries, on +61 (0)400 556 471 and +61 (0)411 709 472, respectively.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$6,175,911.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Research and development ¹	2,361,959	38.2
2.	Capital equipment including ongoing factory operations ²	2,400,855	38.9
3.	General working capital	913,908	14.8
4.	Marketing (customer interface and mining industry targets)	447,500	7.2
5.	Expenses of the offer ³	51,689	0.8
	Total	6,175,911	100.0

Notes:

1. Comprising ongoing cost and manning associated with GEIC and REACH registration for increased sales volumes. Developments in rubber, supercapacitors and new processing technologies.
2. Comprising equipment for additional production capacity and process automation.
3. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.
4. If the Offer is not fully subscribed and the Shortfall Securities are not subsequently placed (in whole or in part) the Company intends to adjust the use of funds on a pro rata basis.

The above table is a statement of current intentions as of the date of this Prospectus and assumes the Offer is fully subscribed. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied. The Company retains a level of flexibility to vary its future funding commitments. Funds raised from the Offer will augment existing cash at bank.

The Directors believe that on completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay, or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriately scale back funds available for research and development (Item 1), capital equipment (Item 2) and marketing (item 4) on a proportionate basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$6,124,222 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 475,070,081 as at the date of this Prospectus to 522,577,089 Shares; and

- (c) increase the number of Options on issue from 71,904,650 as at the date of this Prospectus to 119,411,658 Options following the completion of the Offer.

5.3 Pro-forma balance sheet

The auditor reviewed balance sheet as at 31 December 2019 and the unaudited pro-forma balance sheet as at 31 December 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITOR REVIEWED 31 December 2019	UNAUDITED PROFORMA 31 December 2019
CURRENT ASSETS		
Cash and cash equivalents ¹	4,645,042	10,769,264
Inventories	1,722,687	1,722,687
Trade and other receivables	62,328	62,328
Other current assets	348,498	348,498
TOTAL CURRENT ASSETS	6,778,555	12,902,777
NON-CURRENT ASSETS		
Property, plant and equipment	2,077,796	2,077,796
Right of use asset	256,621	256,621
Intangible assets	250,000	250,000
TOTAL NON-CURRENT ASSETS	2,584,417	2,584,417
TOTAL ASSETS	9,362,972	15,487,194
CURRENT LIABILITIES		
Trade and other payables	925,725	925,725
Lease liabilities	70,638	70,638
TOTAL CURRENT LIABILITIES	996,363	996,363
NON-CURRENT LIABILITIES		
Lease liabilities	189,771	189,771
TOTAL NON-CURRENT LIABILITIES	189,771	189,771

	AUDITOR REVIEWED 31 December 2019	UNAUDITED PROFORMA 31 December 2019
TOTAL LIABILITIES	1,186,134	1,186,134
NET ASSETS	8,176,838	14,301,060
EQUITY		
Issued capital	89,406,903	95,582,814
Reserves	5,801,340	5,749,651
Accumulated losses	(87,204,188)	(87,204,188)
Capital and reserves attributable to the owners of First Graphene Limited	8,004,055	14,128,277
Non-controlling interest	172,783	172,783
TOTAL EQUITY	8,176,838	14,301,060

Notes:

- Cash will increase by the funds raised under the Offer, less expenses of the Offer.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	475,070,081
Shares offered pursuant to the Offer	47,507,008
Total Shares on issue after completion of the Offer¹	522,577,089

Options

	Number
Options currently on issue:	
Quoted Options exercisable at	
(a) \$0.20 if exercised before 8 August 2020; or	56,904,650
(b) \$0.25 if exercised after 8 August 2020 but on or before 8 August 2021.	
Unquoted exercisable at \$0.18 on or before 26 February 2022	5,000,000
Unquoted exercisable at \$0.25 on or before 8 November 2023 ²	10,000,000
Total Options on issue as at the date of this Prospectus	71,904,650
New Options offered pursuant to the Offer ³	47,507,008
Total Options on issue after completion of the Offer	119,411,658

Notes:

- As announced on 25 March 2020, employees and senior management members of FGR agreed to defer payments of up to 75% of their salaries as a result of the impact of COVID-19. Depending on the circumstances of the Company at the time the Company decides

to pay these deferrals, the Company may consider issuing Shares in lieu of accrued amounts in accordance ASX Listing Rule requirements.

2. 3,333,333 of these Options have not yet vested and will vest on 8 November 2020 subject to the holders maintaining continuous engagement by the Company. Full details are contained in the Notice of Annual General Meeting dated 8 November 2019.
3. The New Options will be in the same class as the Company's existing Quoted Options, ASX:FGROC. For the full terms and conditions of the New Options refer to Section 6.2 of this Prospectus.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 546,974,731 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date) would be 641,988,747 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the

Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 New Options

The terms and conditions of the New Options being offered under this Prospectus are set out below. The New Options will be on the same terms and in the same class as the Company's existing class of quoted Options, ASX Code: FGROC.

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the exercise price per New Option (**Exercise Price**) will be:

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

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on the date which is 8 August 2021 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying New Options over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian laws.

(m) **ASX Compliance**

The terms of the New Options may be amended in order to comply with the ASX Listing Rules.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 475,070,081 currently on issue to 522,577,089 and the number of Options in the Company will increase from 71,904,650 to 119,411,658. This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company.

Further if the New Options are subsequently exercised and Shares are issued on exercise of those New Options, each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company, a Share or an Options will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.130 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

The last trading price of Quoted Options on ASX prior to the Prospectus being lodged of \$0.03 is not a reliable indicator as to the potential trading price of Quoted Options after implementation of the Offer.

(b) Going concern risk

The Company's Interim Financial Report for the half year ended 31 December 2019 (**Interim Financial Report**) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the Interim Financial Report, the Directors believe that upon the successful

completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements.

(c) **The Company may face challenges managing the planned growth of its business**

The Company's strategy is to grow annual cash flows through the sale of PureGRAPH® graphene products, technologies and intellectual property licences. The Directors believe significant future growth may require expansion of current commercial production and/or research facilities. The Company's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on all areas of the business and if the Company group is unable to manage its expansion effectively, its business and financial results could suffer.

Further, there can be no assurance the Company will be able to implement its strategy for growth successfully. The Company may incur significant costs attempting to implement its growth strategies and initiatives and the management could be diverted away from existing business functions in its attempts to implement those strategies and initiatives. This could lead to the Company suffering reputational damage and a loss of support from customers and could have a material adverse effect on the business and cash flows, business prospects, financial condition and results of its operations.

7.3 Industry specific

(a) **Fluctuations in the advanced material industry**

The Company's business may be adversely affected by fluctuations in the advanced materials industry as well as economic, political and market factors that are beyond the Company's control.

The Company's performance is directly linked to the development and sale of its suite of PureGRAPH® graphene products, technologies and intellectual property licences to commercialise these products.

Economic, political and market factors can also affect the level of investment into development of advanced materials such as graphene and customer appetite for them. All or any of these factors could have a material adverse effect on the Company's business, prospects for growth, financial condition and results of its operations.

(b) **Competition**

The development of graphene products, technologies and associated intellectual property licenses is competitive and the Company faces competition from a number of sources, globally. The Company's growth strategy depends on the ability to derive net inflows from customers. While it strives to remain competitive by way of continuing to develop its products, technologies and associated intellectual property licenses and maintaining competitive pricing, if the Company is unable to adapt to changing market pressures or customer demands, and keep pace with technological change relative to its competitors, or is forced to reduce pricing in response to competition, its revenues and profit margins could

be effected, which could have a material adverse effect on its business and cash flows, financial condition and results of its operations.

Competition may also increase in response to demand dynamics, further consolidation in the wider advanced materials sector and new competitive entrants into the market. If the Company is not able to maintain its competitive position, this could have an adverse effect on the Company's business, prospects for growth, financial condition and results of its operations.

(c) **Technology risks**

The Company's business depends on technology and is accordingly subject to influence by technological delivery and change. If the Company fails to capitalise upon technological change or anticipate and respond to the demand and industry standards for new or existing products and technologies on a timely and cost-effective basis, or fails to adapt to technological advancements and changing standards, it may be unable to compete effectively.

The adoption of new technologies or industry practices may require the Company to devote additional resources to improve and adapt its products, and there can be no assurance these investments will be successful. If there is insufficient demand for a new product or customers do not subscribe to new products in a timely manner, new initiatives may be unsuccessful or result in significant losses.

Any failure or delay in developing new technology or an inability to exploit technology as successfully or cost-effectively as competitors, could result in a decrease in customer demand, which could have a material adverse effect on the Company's business and cash flows, prospects for growth, financial condition and results of its operations.

(d) **Operational failure in the Company's processes**

An operational failure in the Company's processes could result in losses. If the products of the Company are not to specification, such errors or failures could have a material adverse effect on its business, financial condition or results of operations.

While the Company has in place procedures and controls to seek to prevent and promptly detect failures of its processes, and to mitigate the impact of any such failures, any operational error could have a material adverse effect on its business and cash flows, financial condition, results of its operations and reputation.

(e) **Disaster recovery**

The Company depends on the performance, reliability and availability of its plant, equipment and information technology systems. Any damage to, or failure of, its equipment and/or systems could result in disruptions to the Company's operations. The Company's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all, which could have a material adverse effect on the Company's business, financial position or prospects.

(f) **Disruption to the operations of the Company's Commercial Graphene Facility (CGF)**

Any prolonged disruption in the operations of the Company's CGF could harm the Company's business, financial and other conditions, profitability and results of operations.

The Company is reliant on production of graphene from its CGF. As a result, any prolonged disruption in the operations of this facility, whether due to technical or labour difficulties, destruction or damage to the facility, real estate or other reasons, could result in increased costs and reduced turnover and the Company's financial condition, profitability and prospects could be harmed.

(g) **Intellectual property risk**

The Company may not be able to protect its intellectual property adequately, which could harm the value of its products and brands and adversely affect its business, financial and other conditions, profitability and results of operations.

The Company depends on its intellectual property, quality of its products and its brands. The Company relies on its trademarks to protect its brands and trade secrets and pending patents on its products and production processes. The success of the Company's business depends, in part, on its continued ability to protect its intellectual property and use its existing trademarks in order to increase brand awareness.

Although the Company is not aware of any third party interests in relation to the intellectual property rights of the intellectual property, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and medical discoveries, and if any disputes arise, they could adversely affect the Company.

While the Company will implement all reasonable endeavours to protect its intellectual property, there can be no assurance that these measures have been, or will be sufficient.

(h) **Litigation and product liability**

Legal proceedings, with or without merit, may arise from time to time in the course of the Company's business, including in connection with intellectual property rights. The Directors cannot preclude litigation being brought against the Company and any litigation brought against the Company could have a material adverse effect on the financial condition, results or operations of the Company. The Company's business may be materially adversely affected if the Company and/or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

(i) **Graphene price volatility**

Historically, the graphene price has fluctuated widely and has experienced periods of significant decline. Graphene prices are affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity as well as general global

economic conditions and political trends. Substantial portions of the Company's revenues and cash flow are expected to be derived from the sale of graphene. Therefore, the financial performance of the Company would be exposed to fluctuations in the graphene price.

(j) **Climate Change risk**

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. These physical risks may have financial implications for the Company, such as indirect impacts from supply chain disruption and industry demand. All these risks associated with climate change may significantly change the industry in which the Company operates.

7.4 General risks

(a) **Coronavirus (COVID-19)**

The outbreak of COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share and Quoted Options price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of the coronavirus on its revenue channels and adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(b) **Foreign exchange risk**

The Company will be exposed to the volatility and fluctuations of the exchange rate between the United States dollar, the Sri Lanka rupee and the Australian dollar. Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's

exploration, project development and production plans and activities together with the ability to fund those plans and activities.

(c) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Market conditions**

Market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Securities market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer, if required. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Government and policy changes**

Government action or policy change, both in Australia and Sri Lanka, particularly in relation to lands and infrastructure, compliance with environmental regulations, taxation and royalties, may adversely affect the Company's operations and financial performance.

(h) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

(i) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
30/04/2020	Quarterly Activities Report
30/04/2020	Quarterly Cashflow Report
24/04/2020	Proposed issue of Securities – FGR (Appendix 3B)
24/04/2020	Entitlement Issue
20/04/2020	Trading Halt
08/04/2020	Expanding Research to include PureGRAPH® in Natural Rubbers
25/03/2020	Update on COVID-19
23/03/2020	Making Progress in Game Changing Supercapacitor Materials
18/03/2020	COVID-19
25/02/2020	Half Yearly Report and Accounts
03/02/2020	Positive Results from Mining Industry Field Trails
31/01/2020	Quarterly Activities Report
31/01/2020	Quarterly Cashflow Report
24/01/2020	Strong Advances in VFD Development
21/01/2020	Steel Blue Signs Supply Agreement
06/01/2020	Appendix 3B
06/01/2020	Cleansing Statement
02/01/2020	Change of Director's Interest Notice
05/12/2019	Positive Interim Results from Mining Industry Field Trails
15/11/2019	Steel Blue & FGR Showcase World's First Graphene Safety Boot
15/11/2019	Trading Halt
15/11/2019	Pause in Trade
08/11/2019	Change in Director's Interest Notice
08/11/2019	Change in Director's Interest Notice
08/11/2019	Change in Director's Interest Notice
08/11/2019	Appendix 3B
08/11/2019	Results of Meeting
08/11/2019	Chairman's Address to Shareholders

Date	Description of Announcement
08/11/2019	Exercise Price of Director Options
31/10/2019	Appendix 4C – quarterly
31/10/2019	Quarterly Activities Report
25/10/2019	Appendix 3B
25/10/2019	Cleansing Statement
23/10/2019	Response to ASX Price Query
02/10/2019	Notice of Annual General Meeting/Proxy Form
23/09/2019	Collaboration in Energy Storage Materials
02/09/2019	Appendix 3B
02/09/2019	Cleansing Statement
02/09/2019	Preliminary Final Report
30/08/2019	Appendix 4G
30/08/2019	Corporate Governance Statement
30/08/2019	Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <http://firstgraphene.net>.

8.3 Market price of Shares and Quoted Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and Quoted Options are enhanced disclosure securities quoted on ASX.

The highest, lowest and last closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.155	17 April 2020, 20 – 23 April 2020
Lowest	\$0.079	23 March 2020
Last	\$0.130	1 May 2020

The highest, lowest and last closing market sale prices of the Quoted Options on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	(\$)	Date
Highest	\$0.065	6 - 7 February 2020
Lowest	\$0.019	10 March 2020
Last	\$0.030	27 April 2020

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set in Section 3.2 of this Prospectus.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2018 and 2019 Annual Report.

Director	FY 2020 ¹	FY 2019	FY 2018
Warwick Grigor ²	\$160,048	\$122,950	\$232,000
Craig McGuckin ³	\$388,282	\$488,597	\$895,621
Peter Youd ³	\$451,758	\$433,919	\$833,823

Notes:

1. Proposed remuneration for the financial year ending 30 June 2020 has been estimated based upon contractually agreed hourly rates and fees accrued as at the date of this Prospectus.
2. During the FY 2018 and FY 2019 reporting periods, placement fees were also paid to Far East Capital Limited, a company of which Mr Grigor is a Director, for equity raisings comprising \$197,868 (FY 2019) and \$207,912 (FY 2018).
3. Mr McGuckin and Mr Youd did not receive Director's fees in FY 2018 or FY 2019 however were compensated in accordance with their respective consultant agreements (including a base fee and vehicle allowance, share based payments and bonus payment).

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services.

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

BDO Audit (WA) Pty Ltd has given its written consent to being named as the auditors of the Company in this Prospectus and the inclusion of the audit reviewed financial information included in the balance sheet set out in Section 5.3 of this Prospectus. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$51,689 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees ¹	16,483
Legal fees	15,000
Printing and distribution	12,000
Miscellaneous	5,000
Total	<u>51,689</u>

Note:

- 1. ASX fees only include the ASX listing fees for the Shares issued pursuant to the Offer.

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 (0)400 556 471 or +61 (0)411 709 472 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.firstgraphene.net.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Peter Youd
Director and Company Secretary
For and on behalf of
First Graphene Limited

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means First Graphene Limited (ACN 007 870 760).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Director Option means unquoted Option exercisable at \$0.25 on or before 8 November 2023.

EFT means an electronic funds transfer made to the Company's bank account as notified on the Application Form.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is a Shareholder as at the Record Date.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Price means the exercise price of the New Options being:

(a) \$0.20 if exercised after 8 August 2019 but on or before 8 August 2020; and

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

New Option or **Quoted Option** means a quoted Option in the Company's existing quoted Option class, ASX:FGROC, exercisable at the Exercise Price on or before 8 August 2021.

Offer means the non-renounceable entitlement issue the subject of this Prospectus, being the offer of one (1) Share for every ten (10) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.13 per Share, together with one (1) free attaching New Option for every one (1) Share subscribed for and issued, to raise up to \$6,175,911 (based on the number of Shares on issue as at the date of this Prospectus).

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.7 of this Prospectus.

Shortfall Securities means those Securities not applied for under the Offer (if any) which form the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.