

20 May 2016

## FGR raises funds for continuing development

**First Graphite Limited**  
ACN 007 870 760  
ABN 50 007 870 760

**Registered Office**  
Suite 3  
9 Hampden Road  
Nedlands WA 6009  
Tel +61 1300 660 448  
Fax +61 1300 855 044

**Directors**  
Warwick Grigor  
Craig McGuckin  
Peter R. Youd  
Denis Geldard  
Chris Banasik

**Company Secretary**  
Peter R. Youd  
  
Email:  
[info@firstgraphite.com.au](mailto:info@firstgraphite.com.au)

Website:  
[www.firstgraphite.com.au](http://www.firstgraphite.com.au)

**ASX Symbol**  
FGR, FGROA, FGROB

First Graphite Limited (ASX: FGR) is pleased to advise it has received commitments for a placement of shares at \$0.09 with attaching options on a 1 for 2 ratio, raising \$2.4 million.

Far East Capital Limited, the Lead Manager, has advised that the placement was strongly supported for by strategic investors and high net worth individuals.

Upon completion of the placement FGR will be well-positioned to continue with the development of mine shafts at its high-grade graphite projects in Sri Lanka, where production is due to start early in the third quarter of 2016.

FGR's strategy involves developing a number of shafts concurrently, enabling it to ramp up production in a number of locations.

Shaft sinking continues at Aluketiya Shaft H while Shaft J headframe infrastructure will commence shortly. At Pandeniya underground operations have commenced, with the first ore planned for August 2016.

The proceeds will also enable FGR to accelerate its research and development of its high-grade graphite for downstream processing into higher value products, including but not limited to, premium-priced graphene materials.

There has been recent heavy flooding in parts of Sri Lanka as a consequence of monsoonal rains. Fortunately the elevated position of the Company's sites means we are not anticipating any disruptions to ongoing mining activities.

Mr McGuckin, Managing Director, said "*We are now firmly on the path to production and cash flow from graphite. We also have strong potential to enjoy substantial sales growth on the back of the promising graphene market and we look forward to continuing to pursue this significant opportunity*".

### About First Graphite Ltd (ASX: FGR)

First Graphite is aiming to develop an underground mining operation to extract high-grade, crystalline vein graphite, which is unique to Sri Lanka. The Company holds exclusive rights to exploration licenses covering approximately 39,500 hectares in area, with historical workings located within nearly all license grids.

### About Graphene

Graphene, the well-publicised and now famous two-dimensional carbon allotrope, is as versatile a material as any discovered on Earth. Its amazing properties as the lightest and strongest material, compared with its ability to conduct heat and electricity better than anything else, mean it can be integrated into a huge number of applications. Initially this will mean graphene is used to help improve the performance and efficiency of current materials and substances, but in the future it will also be developed in conjunction with other two-dimensional (2D) crystals to create some even more amazing compounds to suit an even wider range of applications.

One area of research which is being very highly studied is energy storage. Currently, scientists are working on enhancing the capabilities of lithium ion batteries (by incorporating graphene as an anode) to offer much higher storage capacities with much better longevity and charge rate. Also, graphene is being studied and developed to be used in the manufacture of supercapacitors which are able to be charged very quickly, yet also be able to store a large amount of electricity.

### Nature of vein graphite

Sri Lankan graphite deposition model is best described from the 'bottom up': tension fractures formed in the metamorphic sediments, caused by the folding of the sediments, creating 'conduits' for the hydrothermal deposition of high quality vein graphite. Historically, mining of these veins has found the veins generally increase in thickness and grade quality with increasing depth. Graphite veins generally dip steeply at -70° to near vertical, enabling 'narrow vein' extraction mining techniques similar to those used on narrow vein, high-grade gold deposits. The method commonly used is an overhead retreat stoping technique where the high-grade vein graphite is mined and hauled to surface without contamination. The graphite selvages, in contact with the surrounding waste, is hauled to surface and stockpiled for upgrading. The balance of the waste is used to fill the floor of the stope.

Due to the nature of the vein graphite, it is anticipated vein widths of ~25cm, using narrow vein mining techniques can be economically extracted from underground operations.

### For further information:

**Craig McGuckin**

Managing Director

First Graphite Ltd

**Peter R. Youd**

Executive Director

First Graphite Ltd

[www.firstgraphite.com.au](http://www.firstgraphite.com.au)