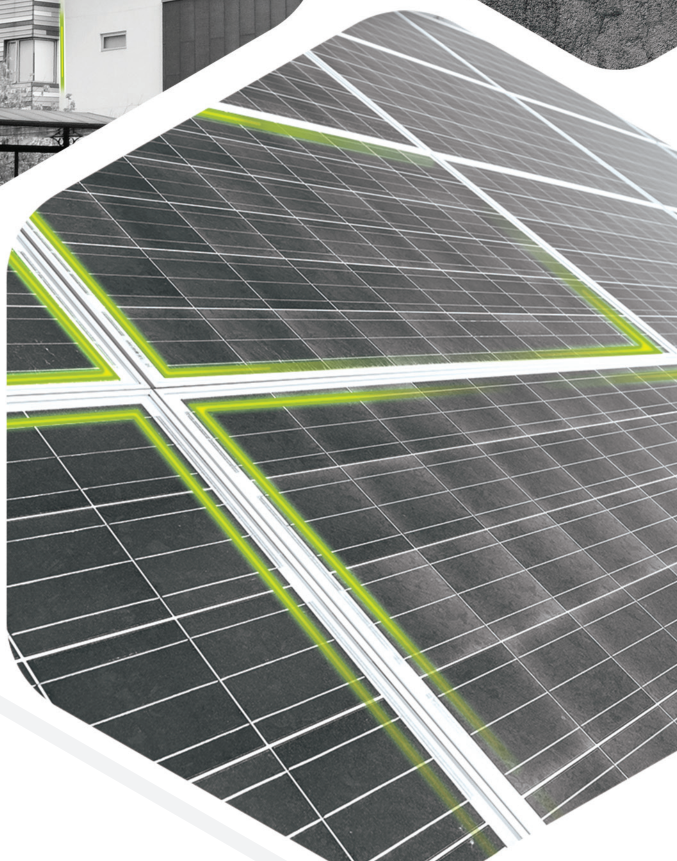
FIRSTGRAPHENE
World leading materials technology | ASX:FGR

ANNUAL REPORT
2024



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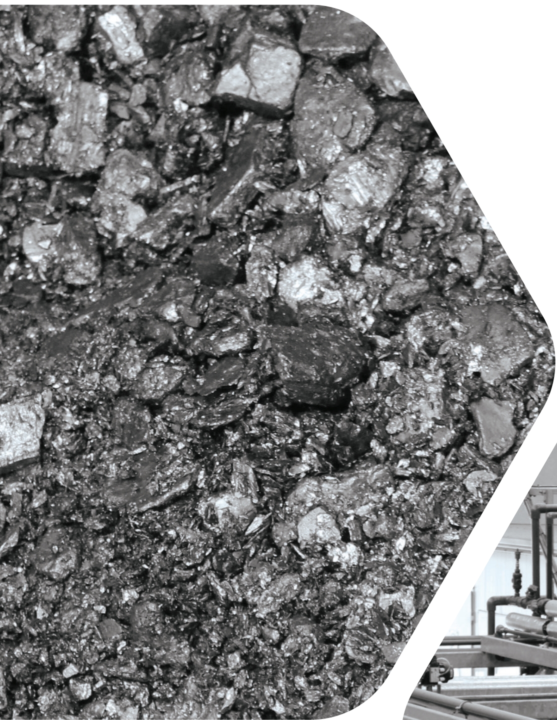

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CHAIRMAN'S REPORT

Another year has progressed and First Graphene, your company, is edging closer to the initial goal of becoming cash flow positive from operations and ultimately, a profitable company.

Last financial year was one of continual progress on a number of fronts. We have continued to reduce our operating costs through prudent financial strategies, reduction of overheads and more efficient staff management.

Our methods of producing the various grades of graphene have been refined even further as our skill base constantly improved. Installation of additional operating equipment has given us greater flexibility, better quality and an expanded range of PureGRAPH® products.

Importantly, the cost of producing our graphene products continues to come down, increasing interest from stakeholders and global markets as demand for cost-efficient, sustainable, and high-performing materials continues to grow.

The cement industry continues to offer great progress. Our various field trials have delivered good results and the additional tests currently underway will only further reinforce the seemingly endless potential for this unique material.

Securing a supply agreement for adding PureGRAPH® products to concrete remains our ultimate goal for achieving economies of scale and transformative sales. Meanwhile, we've made good progress across multiple product lines, reaching a larger and more diverse customer base.

There are approximately a dozen promising new customers that are preparing to take initial deliveries within the next six months, moving beyond sample testing. Notably, many of these potential customers have proactively approached us.

Our reputation for capability and commercial value is gaining recognition. As these customers begin purchasing and using our graphene, it naturally paves the way for expanding the use of graphene across their product lines.

The benefits of this will be two-fold, delivering broader awareness of the notoriety of our product and a financial pipeline which will accelerate the Company towards profitability.

As we work towards this goal, I extend my gratitude to our shareholders for your continued support. Developing groundbreaking products is both challenging and rewarding, and your backing is essential in realising our vision of providing high-performance graphene solutions to industries globally.

I would like to express my gratitude to the entire First Graphene team for its ongoing dedication to advancing our vision, especially under the leadership of our MD and CEO, Mike Bell, whose tireless efforts have driven value for the Company.

Mike's deep understanding of the graphene sector across all its facets, combined with his strong commercial acumen, has paved the way for future growth, with the ultimate aim of delivering shareholders the return on investment we all seek.

I look forward to the prospectivity of the next financial year for First Graphene, as we edge closer to achieving our vision.

"Our reputation for capability and commercial value is gaining recognition. As these customers begin purchasing and using our graphene, it naturally paves the way for expanding the use of graphene across their product lines."

Warwick Grigor
Chairman

CEO REPORT

Performance success strengthens global demand for graphene

As we reflect on the 2024 financial year and revisit the goals we set, it is clear we have maintained our trajectory towards becoming a world-leading supplier of graphitic technology and materials.

This time last year, we were awaiting the results of world-leading graphene enhanced cement trials, in anticipation of confirming what we knew would be a revolutionary achievement for the cement and concrete industry as it endeavours to achieve a 25% reduction of carbon emissions by 2030.

The initial trial results exceeded expectations, showing a 10% improvement in compressive strength and a 15% reduction in carbon emissions during the cement manufacturing process. This marks a major achievement for First Graphene in this critical industry segment.

These results, alongside our numerous other successes with PureGRAPH® across various applications, solidify First Graphene's role as a leading supplier of advanced, future-ready materials that are set to elevate industries worldwide.

Cementing real-world results

First Graphene has maintained a strong focus on unlocking commercialisation opportunities for the Company, supported by a step change in real-world applications of research and development results and growth of our distribution network.

This momentum has unlocked access to previously untapped markets, but our work is far from slowing down. The cornerstone of First Graphene's commercialisation strategy lies in widening the doors to markets that have yet to experience the full potential of our premium PureGRAPH® products.

By continuously driving innovation and demonstrating the advantages of our solutions, we aim to introduce PureGRAPH® to industries that will benefit most from its cutting-edge capabilities, further expanding our global reach.

In the cement and concrete industry, First Graphene has continued to collaborate successfully with the UK's largest cement producer Breedon Group, under the Joint Development and Commercialisation Agreement signed earlier in the past financial year.

Building on the success of our initial graphene-enhanced cement trials, we entered into a second trial in our partnership with Breedon Group. This involved testing the performance of a graphene-enhanced concrete slab in a real-world environment, that provided critical insights into how our innovative material performs under real-world conditions.

The slab was placed at a major highway project in the UK and exposed to challenging conditions including heavy vehicle traffic and weather. After 200 days in operation, the concrete was found to have no defects, damage, or deterioration, maintaining its strength and integrity.

This secondary success has led to a third phase of testing to be planned, investigating the potential of our new, dedicated cement and concrete product, PureGRAPH-CEM®. This large-scale trial will leverage more than three tonnes of PureGRAPH-CEM® to further validate the benefits of using this optimised formulation to improve strength and durability of concrete during the production process.

The ongoing achievements we have made with Breedon has led to further opportunities to trial graphene-enhanced cement, including with Morgan Sindall Infrastructure, which has shown interest in testing the market-changing product at a National Highway project in the UK.

We are moving towards our vision of creating greener cities by supplying the graphene needed to reduce emissions and improve cement strength.

Alongside our collaboration with Breedon in the United Kingdom, we also launched trials of the impact of PureGRAPH® on cement integrity with various companies in Europe, South Africa, Thailand, New Zealand, and Australia.

“ We are moving towards our vision of creating greener cities by supplying the graphene needed to reduce emissions and improve strength of cement.”

For First Graphene, it is vital to continue working with like-minded cement producers, who are striving towards delivering a more sustainable product, to support our journey towards broader commercialisation across global cement and concrete markets.

Unlocking new markets

While the cement and concrete segment has been a strong focus for the Company, we will also be assisting with other sustainable solutions for other industries during the next financial year.

First Graphene joined a nine-member consortium in June 2024 to develop graphene-enhanced hydrogen storage tanks for transportation of this potential future energy source.

The A$3.7 million project is significant for the Company and will see our PureGRAPH® products leveraged to increase strength and reduce hydrogen permeability of the tanks.

This past financial year marks another bold step in our journey within the hydrogen sector, with major strides toward commercialising our groundbreaking Kainos Technology.

This innovation not only produces high-quality, battery-grade graphite and pristine graphene but also generates green hydrogen as a valuable byproduct.

The technology has already caught the attention of key players in the industry, such as Abu Dhabi-based EMDAD Group. In October 2023, they signed a Memorandum of Understanding with First Graphene to develop a small-scale cavitation reactor, designed to convert petroleum feedstock from oil producers into these crucial materials.

Further boosting our efforts, a research project in collaboration with Swansea University in the UK will assess the full commercial potential of Kainos Technology as an alternative source of essential raw minerals needed across industries worldwide.

Significant progress has also been made across multiple other segments, with extensive trials reinforcing PureGRAPH®'s potential to elevate performance in a wide range of materials. From structural beams in housing and protective clothing to mining conveyor rollers, electrostatic discharge flooring, 3D printing, and lubricants – PureGRAPH® is proving its value.

This rapid uptake aligns seamlessly with our commercialisation growth strategy. While the full impact may not be reflected yet, we are confident that the growing adoption of PureGRAPH® across various markets will translate into future revenue.

Moreover, ongoing research continues to highlight the potential of our products to offer high-performance, cost-effective solutions in emerging markets. As industries further recognise graphene's transformative abilities to enhance materials, First Graphene is poised to lead in delivering the next generation of graphene-enhanced products for global industries.

Fiscal improvements

As with any product-driven business, growing our bottom line remains a top priority. This year, we've refined how we report revenue, now separating research and development revenue and partner programs from sales revenue.

While this adjustment has resulted in a surface-level reduction in revenue compared to last year, the change offers greater clarity in our financial reporting, setting the stage for a clearer picture of our growth as revenue scales in the coming years.

Fuelling this future growth is a robust pipeline of more than a dozen commercial opportunities set for FY2025, as new applications and products powered by PureGRAPH® hit the market. These opportunities will position First Graphene in a range of sectors, including sports apparel, fire-retardant construction materials, and PET packaging.

At the same time, we've maintained a strong focus on responsible financial management. Our emphasis on controlling cash outflows, paired with advancements in our manufacturing processes, has significantly reduced production costs while boosting efficiency.

Key improvements at our Henderson manufacturing facility in Western Australia, including the integration of new equipment, have not only enhanced production but also strengthened the quality of our PureGRAPH® products. Additionally, the relocation of our UK-based team has helped streamline costs and transition our research from development to commercialisation.

In step with our commercialisation strategy, we secured new distribution agreements in FY2024, broadening our global reach. Two new partnerships with Bisley & Company and Keyser & Mackay have solidified First Graphene's presence across key markets in the US, Europe, Australia, and New Zealand.

A vital pillar of our progress has been the unwavering support of our shareholders. The strong participation in our Share Purchase Plan in December 2023 has empowered us to continue delivering high-quality products while pursuing new market opportunities, ultimately driving more value for our investors.

Collectively, these efforts are fine-tuning our financial strategy - optimising expenditures and enhancing revenue to deliver long-term value to the Company's balance sheet.

Focused on future commercial growth

The adoption of cutting-edge solutions like PureGRAPH® takes time, as industries adapt to the unique potential graphene brings to various applications. However, recent market forecasts predict steady growth, with the global graphene market expected to reach US$2.7 billion by 2030[1]. Driving this expansion will be a consistent supply of high-quality, high-performance graphene products – exactly what we specialise in delivering.

As new applications move into production during the 2025 financial year, we anticipate a two-fold benefit of positive cashflows and additional entries into new global markets. This will mark an exciting period of growth for the Company, as we expand into emerging industries hungry for innovative materials.

Our extensive research and development efforts are also set to commercially materialise, with promising results on the horizon and new collaboration opportunities emerging. By refining our focus and turning theory into practice, we're poised to leverage these developments to drive increased purchase orders throughout FY2025 and beyond.

As demand for sustainable solutions continues to rise, First Graphene is in a prime position to thrive. We've already established a reputation for delivering high-quality, commercially scaled products with results recognised globally that showcase our success.

Looking ahead, I am excited to continue advancing the Company's ventures and broadening First Graphene's footprint across global markets in the coming year.

Michael Bell
Managing Director and CEO

"First Graphene is in a prime position to thrive. We've already established a reputation for delivering high-quality, commercially scaled products with results recognised globally that showcase our success."

[1]Research and Markets: Graphene - Global Strategic Business Report


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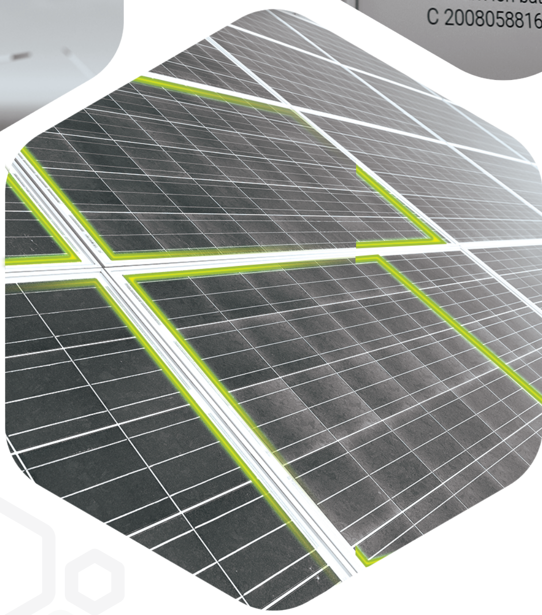


OPERATIONS/ QHSE REPORT

Health and Safety

At First Graphene, we're dedicated to continuously enhancing our health and safety systems, ensuring a secure workplace for our staff while minimising environmental risks.

This year, we're proud to report zero Lost Time Incidents, zero Medical Treatment Incidents, and zero Environmental Incidents at our Henderson production facility.

This flawless record underscores our deep-rooted safety culture and the high priority we place on the wellbeing of our team in every task performed.

Operating in Western Australia, we uphold the highest standards of regulatory compliance at our Henderson facility. In line with this, we completed our annual operational review and submitted a Works Approval Compliance Report to the Western Australian Department of Water and Environmental Regulation (DWER).

After a thorough assessment, DWER confirmed that our infrastructure and equipment meets all required conditions, clearing the way for our facility to be officially registered as a Prescribed Premises.

Manufacturing

First Graphene continually strives to improve the quality and performance of our PureGRAPH® products via research and development, and modifications to our manufacturing processes.

This financial year marked an exciting milestone with the development of our dedicated PureGRAPH-CEM® product, designed exclusively for the cement and concrete industry.

More than three tonnes of this cutting-edge product was produced at our Henderson facility and shipped to the UK for full-scale testing at Breedon's Hope Cement Works. This trial will assess whether PureGRAPH-CEM® can boost milling throughput - without the need for additional or customised equipment.

We're confident this innovative graphene product will play a key role in reducing emissions, with up to 50% less embodied CO_2 compared to other grades. Lab-scale tests conducted by Kirton Concrete Services have already shown promising results, with up to a 16% increase in compressive strength in graphene-enhanced cement.

These tests also revealed an impressive 12% improvement in Blaine fineness, suggesting that PureGRAPH-CEM® could significantly boost cement mill throughput while remaining fully compatible with existing grinding aids.

First Graphene also made significant improvements to our other PureGRAPH® products during the financial year, as a result of multiple major manufacturing process changes at our Henderson facility, which have since been implemented as standard practice.

The first process change was the milling of dried PureGRAPH® cake into a powder using the newly acquired and commissioned Retsch Mill. Since activation, the Retsch Mill has enabled the milling process to be 67% more cost effective, while also improving efficiency by 60%. These positive reforms will significantly support the Company's bottom line as production of PureGRAPH® increases to match rising demand.

The second process change involved modifying the method of treatment of PureGRAPH® powders and PureGRAPH® AQUA to alter the products' pH to become more neutral.

Recent test results indicate this method, in combination with milling by the Retsch Mill, is enabling the Company to produce fewer layered, de-agglomerated products with a higher specific surface area, more uniform particle size distribution and consistent morphology.

This represents an improvement to PureGRAPH®'s characteristics, which will enhance dispersion of the product into materials like cement, polymers and composites. Early-stage feedback from a variety of clients has been positive.

Thirdly, the Company utilised part of the A$759,000 Round 2 Manufacturing Modernisation Fund grant received from the Australian Federal Government in 2021 to invest in a Micrea microwave to speed up drying times of wet graphene.

Reducing drying time for wet graphene cake will improve processing of PureGRAPH® powders and lower the unit product cost through a reduction in energy and labour required to complete the process.

Finally, the Phase 2 Electro-chemical Cell Optimisation trials continued to investigate both the increased graphene production rate and increased electrical efficiency gained by modifying cell and electrode design.

Initial key improvements from the second set of trials included a 32% increase in overall PureGRAPH® production rate and a 25% reduction in power consumption compared to Phase 1.

These learnings will be applied to existing electro-chemical cells and will add significant value to our manufacturing capabilities and product delivery.

Throughout the financial year, our Henderson production team and UK-based research and development division worked collaboratively to explore an exciting new frontier - manufacturing graphene oxide.

Widely used across industries like water purification and desalination, this material holds immense potential for First Graphene.

In a series of small-scale trials, we experimented with different electrolytes and graphite feedstocks to refine our processes.

The initial results look promising with the potential to unlock new opportunities for us in these critical sectors.

This collaborative approach to enhancing our operations and manufacturing capabilities will be paramount over the coming year, as we continue to identify new pathways to improve production of our world-leading PureGRAPH® product.

David Bennett
General Manager Process Operations

COMMON & EMERGING APPLICATIONS

CONSTRUCTION & INFRASTRUCTURE

Cement and Concrete

- Lower CO_2 emissions in cement production
- Improved strength and durability
- Increased performance in harsh conditions

Coatings

- Real-time data collection with smart coatings
- Improved durability in fire-retardant coatings
- Reduced permeability in moisture barriers and waterproofing

Sustainable recycled construction materials

- Increased fire retardancy
- Improved strength and durability
- Enhanced thermal and electrical performance

ENERGY & STORAGE

Perovskite solar cells

- Increased module efficiency
- Reduction in manufacturing and material costs
- Removes reliance on precious metals, including gold and silver

Hydrogen production and storage

- Significant reduction in storage tank permeability
- Improved strength and durability
- Graphene based water splitting catalyst for hydrogen production

Thermal solar panels

- Improved heat transfer efficiency
- Enhanced conductivity and temperature tolerance
- Increased strength and durability

MATERIALS

Conductive polymers

- Enhancements to thermal and electrical conductivity
- Light weight metal alternative for heat sink and antistatic components
- Conductive 3D printed parts

Composites

- Increased strength and durability
- Improved fire retardancy
- Reduction in permeability

Elastomers

- Enhanced wear resistance
- Increased strength and durability
- Improved anti fouling properties

R&D TECHNOLOGY REPORT

Converting theory into commercialisation

Behind every successful product is a foundation of rigorous research and development.

At First Graphene, we make it our mission to extensively test and trial our products across a wide range of applications, ensuring high performance, uncovering market opportunities, and paving the way for the commercial success of our PureGRAPH® products.

This past financial year, we sharpened our focus on transforming R&D into real-world impact, leading to an increase in trial agreements that have already resulted in commercial contracts.

Turning innovation into action remains a cornerstone of our strategy, as we move closer to global recognition for the remarkable performance enhancements PureGRAPH® delivers across industries.

Cementing sustainable concrete solutions

A standout achievement in our recent R&D efforts has been the groundbreaking trials with the Breedon Group, the UK's top cement producer, on the manufacture of graphene-enhanced cement.

This material was employed in a real-life, temporary wheel washing facility and subjected to constant heavy vehicle traffic, abrasion and wetting from washed wheels.

The results from the demonstrator concrete slab were impressive and performed comparably to conventional CEM I based concrete, whilst achieving an impressive 15% reduction in carbon emissions. This success has opened the door to further large-scale trials with Breedon, specifically testing our newly developed PureGRAPH-CEM® product.

The significance of these trials cannot be overstated, as we expect them to solidify the unique capabilities of this advanced cement product and accelerate its commercial adoption across the industry.

Our ongoing collaboration with Breedon has sparked new interest for graphene's potential, leading to research partnerships with other industry leaders. We've secured work with New Zealand's GtM Action to explore the use of graphene-enhanced sand as a production bypass in cement, and we are also conducting trials with Siam City Cement in Thailand to further prove graphene's performance as a powerful cement additive.

With a focus on data-driven insights and performance analytics, we are building a strong case for PureGRAPH® as a game-changing solution for a sector aiming to reduce carbon emissions by 25% by 2030.

Powering the future of energy solutions

Our R&D efforts in the energy generation and storage sector have gained significant momentum during the past year, driven by several newly secured funding opportunities. From exploring electrocatalysts for hydrogen generation, to investigating the role of graphene in electric vehicles, we continue to push the boundaries of our PureGRAPH® materials in this burgeoning market.

These advancements have opened new doors for potential commercial applications within the energy sector, positioning us for tangible results that will drive our commercialisation strategy in the years ahead.

One such opportunity is in the solar cell market, where we've undertaken key collaborative research with perovskite solar cell manufacturer Halocell Energy (formerly Greatcell). Following the financial year end, we reached an agreement to supply graphene for use as a high-performance conductive electrode in their cutting-edge perovskite solar cells, which are set to hit the market in FY25.

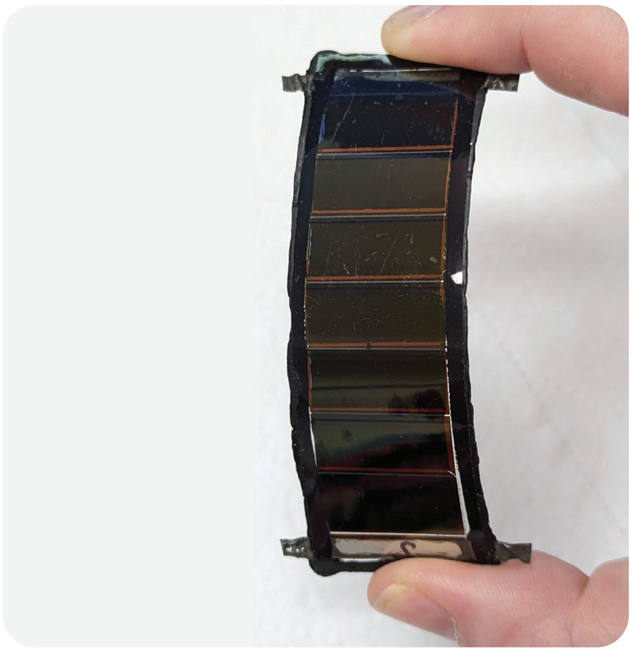
This breakthrough not only boosts First Graphene's bottom line but also confirms our role as a key player in the fast-growing renewable energy industry.

Additionally, we have joined forces in an A$3.72 million collaborative project with top Australian and UK researchers to improve the strength and permeability of cryogenic hydrogen tanks, critical for transporting the energy sector's newest focus – hydrogen.

Prior tests with graphene nanoplatelets have shown a remarkable 48-fold reduction in hydrogen permeability, giving us confidence in the success of this initiative. Our previous validation of graphene's protective capabilities strengthens our role in helping this joint consortium meet its ambitious goals.

Meanwhile, we're making strides with our Kainos Technology, which aims to produce high-quality synthetic graphite and graphene from petroleum feedstock, with hydrogen as a valuable byproduct.

In collaboration with Abu Dhabi-based EMDAD Group, we signed a Memorandum of Understanding to develop and test a small cavitation reactor. This technology could provide a commercial alternative to mining raw materials, offering a scalable, efficient solution to meet the growing demand for battery-grade graphite and graphene.



Harnessing graphene's unique qualities for industry

The potential applications of graphene seem limitless, as we uncover new opportunities across a wide range of industries. Our ongoing investigations span diverse fields such as lubricants, waterproofing, rubber solutions, protective clothing, electrostatic discharge flooring, and even 3D printing.

A major breakthrough in our research-to-commercial pipeline is in the sustainable housing industry, following the signing of a Strategic Partnership Agreement with UK-based Vector Homes. During the next two years, we will supply PureGRAPH® to enhance sustainable construction materials, specifically for structural beams used in Vector Homes' eco-friendly housing. Our research has shown that PureGRAPH® strengthens these beams and significantly improves fire retardancy - a vital feature for sustainable housing solutions.

Although Vector Homes is currently in the trial phase for its eco-homes, this agreement has already resulted in a direct commercial win for First Graphene. As demand for sustainable housing continues to rise, this partnership could lead to further revenue opportunities, especially as the construction industry pivots toward greener solutions and mass production of these homes becomes a reality.

Ongoing commitment to innovation

The Company is set to embark on an ambitious pipeline of grant-funded research and development during the next financial year, which will solidify our path towards commercialisation in both established and emerging markets.

A key step in this journey has been the relocation of our UK-based team to a dedicated R&D facility at the new Manchester Innovation District, known as SISTER. Equipped with a state-of-the-art cement laboratory, general lab space, meeting rooms, and offices, this facility is designed to accelerate commercial development and provide superior customer support.

Most importantly, this move will enhance collaboration with our clients' research teams, fostering stronger partnerships as we move closer to the commercialisation of our advanced products.

As part of our commitment to shaping the future of advanced materials, we are also dedicated to nurturing the next generation of scientists and innovators. Our sponsorship of the Graphene Hackathon at the University of Manchester is a prime example, where we provided PureGRAPH® to student teams and encouraged them to push the boundaries of graphene applications.

At First Graphene, we believe innovation and creativity are the keys to unlocking graphene's potential across a wide range of industries. As we continue to pioneer high-performing, sustainable solutions, we remain committed to supporting tomorrow's leaders in this transformative field.

Dr Ian Martin
R&D Manager

FINANCIAL REPORT

First Graphene has made fiscal responsibility a top priority throughout the 2024 financial year, with our ongoing cost-cutting measures playing a crucial role in driving us closer to cash flow breakeven.

One of our most significant milestones has been achieving the lowest cash outflow in the Company's history, thanks to a remarkable 60% reduction in operating cash flow over the past four years. This achievement highlights the impact of our disciplined financial approach (see Figure 1).

Assisting with delivering this achievement was a series of cost reduction activities including improvements to project resourcing, core service and grant-funded programs, and the Company's strategic transition away from the Graphene Engineering and Innovation Centre (GEIC).

In the 2025 financial year, further reducing cash outflow will remain a key focus for the Company, as we strive to maintain this momentum and stay on course toward achieving cash flow breakeven. By keeping a sharp eye on our financial discipline, we aim to build on the progress we've made and continue driving sustainable growth.

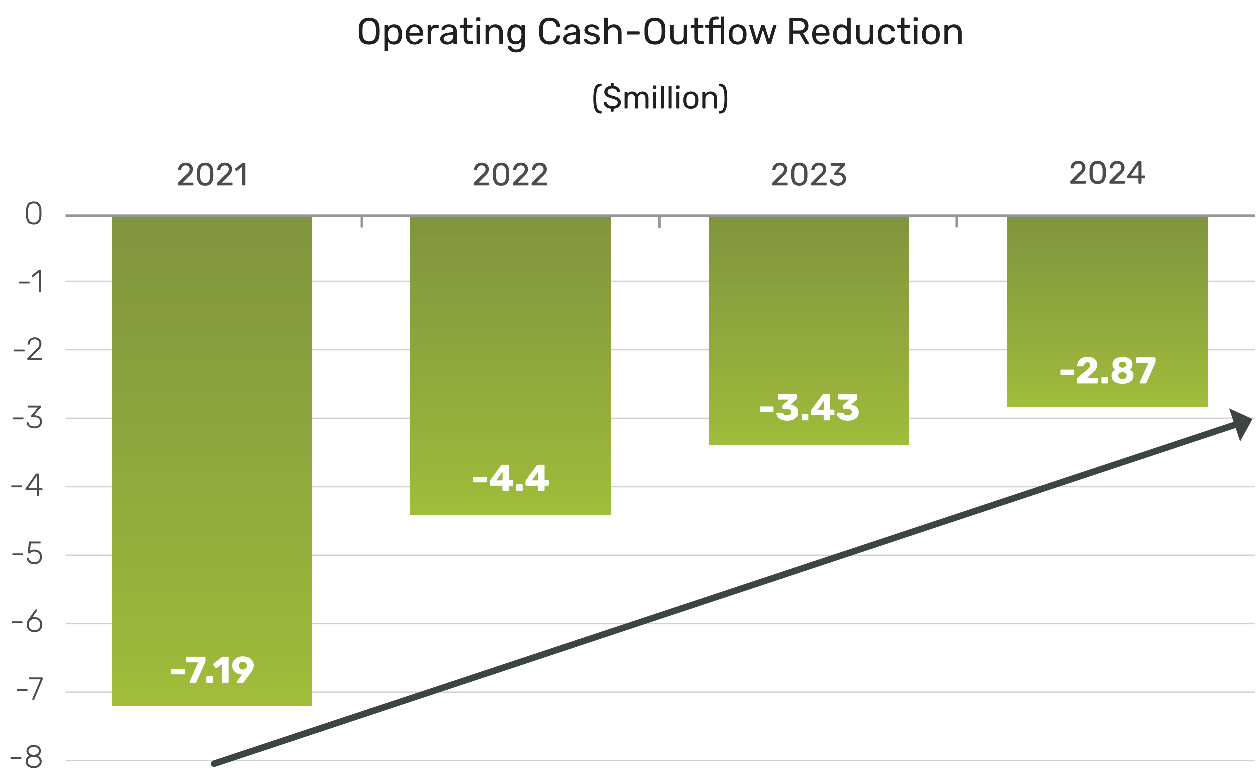


Figure 1 – Cash outflow reduction trend FY21-24

Foundations laid for improved revenue

During the FY2024 auditing process, the Company restructured its revenue reporting by distinguishing research and development from sales. This change led to a reported total revenue of A$675,000, offering clearer insights into our revenue streams and enhancing financial transparency.

Importantly, the Company has laid the foundation for commercial breakthroughs expected to materialise in FY2025, with the launch of new, validated products featuring our PureGRAPH® technology set to enter global markets.

With more than a dozen high-margin commercial opportunities in the pipeline – each leveraging readily producible volumes of PureGRAPH® - we're poised to unlock significant financial growth.

These upcoming ventures not only promise to generate revenue but also introduce PureGRAPH® to a broader global audience, reinforcing our market presence and expanding our reach.

Supporting this commercial pipeline has been the establishment of new market routes to commercialise graphene in emerging applications and regions, leveraging new distribution agreements covering Europe, Australia and New Zealand.

First Graphene has also seen a rise in research and development projects supported by grant funding from various government bodies and organisations. Although this funding is separate from reported revenue, it plays a crucial role in advancing our product development and expanding its applications across different sectors – all without adding significant costs to the Company. This external support allows us to innovate more efficiently while preserving financial resources.

Financial forecast for FY25

As we enter the next financial year, First Graphene remains focused on expanding global market opportunities for our products while upholding responsible fiscal management through continued cash reduction efforts.

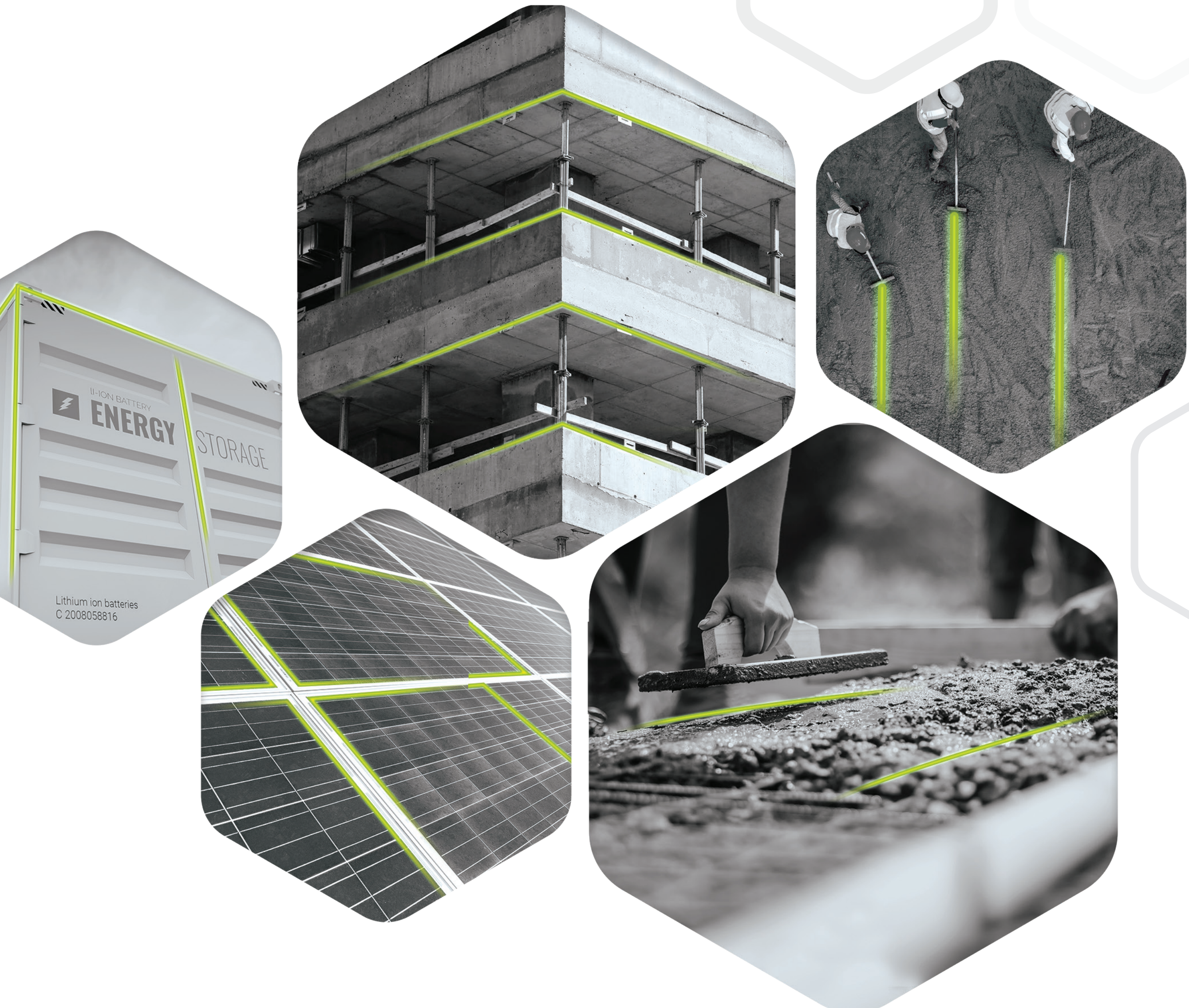
With a robust revenue pipeline and growing global demand for high-performance graphene, FY2025 is set to deliver even greater returns for the Company, shareholders, and the industry. This combination of market expansion and disciplined financial strategy positions us for sustained growth and success.

" With a robust revenue pipeline and growing global demand for high-performance graphene, FY2025 is set to deliver even greater returns for the Company, shareholders, and the industry."

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

(INCORPORATING INFORMATION PURSUANT TO ASX LISTING RULE 4.3A)



Directors' Report

The directors present their report together with the financial report of First Graphene Limited ('First Graphene" or 'Company') and the entities it controlled ('Consolidated Entity' or 'Group') for the year ended 30 June 2024.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. The Directors were in office for this entire period unless otherwise stated.

Warwick Grigor *BEc. LLB, MAusIMM, FAICD*

Non-Executive Chairman

Mr Grigor is a highly respected and experienced mining analyst, with an intimate knowledge of all market related aspects of the mining industry. He is a graduate of the Australian National University having completed degrees in law and economics. His association with mining commenced with a position in the finance department of Hamersley Iron, and from there he moved to Sydney to become a mining analyst with institutional stockbrokers. Mr Grigor left County NatWest Securities in 1991 to establish Far East Capital Limited which was founded as a specialist mining company financier and corporate adviser, together with Andrew "Twiggy" Forrest.

In 2008, Far East Capital Limited sponsored the formation of a stockbroking company, BGF Equities, and Mr Grigor assumed the position of Executive Chairman. This was re-badged as Canaccord Genuity Australia Limited when a 50% stake was sold to Canaccord Genuity Group Inc. Mr Grigor retired from Canaccord in October 2014, returning to Far East Capital Limited.

Other Current Directorships	Former directorships in the last 3 years	Interests in shares and options
West Wits Mining Limited Aguia Resources Limited	Nagambie Resources Limited	Ordinary shares 19,083,772 Performance Rights 400,000

Dr Andy Goodwin *Ph.D. (Polymer Chemistry)*

Non-Executive Director

Andy has a successful track record in innovation and technology development roles within the speciality chemicals industry. Andy has extensive leadership experience with Sanofi, Dow Corning Corporation and Thomas Swan & Co. Ltd. He has a PhD in polymer chemistry and an MTE Diploma from the IMD Business School in Lausanne, Switzerland.

Andy has been actively involved in the development of the graphene materials industry since 2012. He joined First Graphene in 2017 and is based in Manchester, UK.

Other Current Directorships	Former directorships in the last 3 years	Interests in shares and options in FGR
None	None	Ordinary shares 2,308,993 Performance Rights 150,000

Michael Quinert *BEc. LLB*

Non-Executive Director

Mr Quinert is a founding partner of QR Lawyers which was established in July 2009. He has over 30-years' experience as a commercial and corporate lawyer, including three years with ASX and over 30 years as a partner in a Melbourne law firms.

Mr Quinert has extensive experience assisting and advising companies on IPO's, capital raising, cross border transactions, regulatory compliance and has regularly advised publicly listed mining companies.

Michael is a Non-Executive Chairman of West Wits Mining Limited and Non-Executive Director of BTM Group Limited and BTM Group Australia Limited.

Other Current Directorships	Former directorships in the last 3 years	Interests in shares and options in FGR	
West Wits Mining Limited BTM Group Australia Limited BTM Group Limited	First Au Limited	Ordinary shares Performance Rights	392,500 200,000

Michael Bell (Appointed 1st July 2021)

Managing Director and Chief Executive Officer

Mr Bell has over 21 years' experience in engineering and business management and significant international experience driving business growth.

He was with ST Engineering Group where he served as Senior Vice-President.

Mike has also held roles as Director for Navman Wireless, a global Telematics company, and as General Manager with Singapore-based shipbuilder Strategic Marine.

Other Current Directorships	Former directorships in the last 3 years	Interests in shares and options in FGR	
None	None	Ordinary shares Performance Rights	2,880,808 -

Company Secretary Information

Ms. Elizabeth Lee was appointed the Company Secretary on 19 February 2024. Ms. Lee is a highly experienced business professional with 20+ years of experience serving on several Australian company boards as a director, or Company Secretary. She currently holds a Directorship at Nannup Truffles Growers Co-Operative Ltd and is also a Company Secretary at Forrestfield & Districts Community Financial Services Ltd and PRL Global Ltd. Ms Lee holds a bachelor's degree in finance and business law completed from Edith Cowan University.

Results and Dividends

The Group result for the year was a loss of $6,414,766 (2023: loss of $5,421,710).

No final dividend has been declared or recommended as at 30 June 2024 or as at the date of this report (2023: $ nil).

No interim dividends have been paid (2023: nil).

Principal Activities

During the financial year the principal continuing activities of the Consolidated Entity was as the leading supplier of high-performing graphene products with a robust manufacturing platform and an established 100 tonne/year graphene production capacity. PureGRAPH® graphene is easy to use and is enhancing the properties of customers' products and materials across industries and applications worldwide.

First Graphene Limited has a primary manufacturing base in Henderson, near Perth, WA. The Company is incorporated in the UK as First Graphene (UK) Ltd.

Events Since the End of the Financial Year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Likely Developments and expected results of operations

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, other than as mentioned in the Chairman's Statement and Review of Operations, as the Directors have reasonable grounds to believe the nascent nature of the graphene market makes it impractical to forecast future profitability and other material financial events.

Directors' and other officers' emoluments

Details of the remuneration policy for Directors and other officers are included in the Remuneration Report (page 27) and the Corporate Governance Report lodged separately on ASX on the same day as this report is lodged.

Details of the nature and amounts of emoluments for each Director of the Company and Executive Officers are included in the Remuneration Report.

Environmental Regulations

The Group's graphene production and sales operations are subject to regulation In Australia by the Australian Industrial Chemicals Introduction Scheme (AICIS) and by the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) in the European Union and United Kingdom.

The Company's Commercial Graphene Production facility has been approved as meeting the environmental standards set down by the Government of Western Australia's Department of Environment Regulation.

Mitigation of Business Risks

First Graphene understands the need to mitigate a range of risks to the business, which could potentially impact our ability to achieve strategic goals, and the consistent delivery of value to all stakeholders and shareholders. Some of the risks identified and recognised by the Company include:

Regulation of Nano Materials

The Company continues to monitor any changes to the regulations regarding Nano Materials. Regulations around the use of Nano Materials is widely accepted around the world, except the United States.

While our product falls under this characterisation, graphene is non-toxic and implemented into materials in very low dosages. The risk of changes to regulations exists but is mitigated through consistent monitoring and adoption of best practices as the use of Nano Materials increases globally.

Consistent commercialisation

As an early-stage business, First Graphene requires funding periodically and our key investors remain in the majority of our shareholding. Global demand for the use of next generation materials, including our product, is only increasing, and many industries are realising graphene has a large role to play in solving key environmental issues impacting their business. The consistent interest from the cement industry and growing demand from other sectors mitigates the risk of impacts to ongoing liquidity. Management also continues to improve the speed of commercialisation of our product, as well as working to increase investor confidence.

Retaining skilled workforce

First Graphene is a highly research and development driven business, requiring specific skilled staff who are suitable for the Company and the industry. We have implemented strong equity-based retention plans to mitigate the risk of losing workers, while also taking steps to protect the Company's IP through employee's contracts. First Graphene's strong connections to research organisations has also helped maintain a healthy pipeline of skilled and enthusiastic staff. These ongoing relationships with research partners will also mitigate any loss to the Company's skilled workforce.

Transportation and supply

With a heavy reliance on global supply chains to transport its product, First Graphene is committed to mitigating any potential risk posed by disruption or delays to logistics. The Company ensures sufficient stock of key raw materials remains on site to maintain consistent feedstock for the manufacturing plant, should issues occur with haulage and shipping pathways. We also have several alternatives available for transporting products via air, road, and sea. From previous experience with global events impacting transportation pathways, delays have not slowed down demand or execution of projects. The Company also has insurance in place to mitigate any loss or damage to products or the business.

Safety and wellbeing of staff

First Graphene's people are a priority and maintaining a safe and healthy work environment is key to the Company's operations. The Company's Health, Safety, and Environmental Policy details how we develop and continually improve systems to reduce risks to our staff, our facilities, and the environment. We maintain strict regulatory compliance, with the Henderson manufacturing plant complying with occupational health and safety obligations of WorkSafe WA, as well as Western Australian Government and Australian Government regulations.

Environmental risk

The Company has sufficient procedure and controls in place to manage environmental risks. This includes relevant Western Australian Government and Australian Government approvals required for waste and water management in the production facility and biannual testing to ensure consistency. Correct handling of by-products also remains a priority for the Company. Recent optimisation trials were designed to reduce the overt reliance on power supply, and we continue to progress these trials to further enhance production efficiencies.

We are confident in our risk management framework and First Graphene's ability to adapt to new and emerging risks to the business.

Proceedings on behalf of company

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Share Options

At the date of this report, First Graphene Limited has the following options exercisable into ordinary shares in First Graphene Limited.

Unlisted	Grant Date	Date of Expiry	Exercise Price	Number under option
Share option	9 February 2024	8 February 2025	$0.07 each, if exercised on or before 8 February 2025	1,000,000
Share option	9 February 2024	8 February 2025	$0.09 each, if exercised on or before 8 February 2025	1,500,000
Share option	9 February 2024	8 February 2025	$0.11 each, if exercised on or before 8 February 2025	2,000,000

Directors' meetings

The number of meetings of Directors held during the year and the number attended by each Director was as follows:

	Directors' Meetings	
	Meetings Attended	Entitled to Attend
Warwick Grigor	8	8
Dr Andy Goodwin	8	8
Michael Quinert	8	8
Michael Bell	8	8

Indemnification and insurance of officers and auditors

Under the Company's constitution and subject to section 199A of the Corporations Act 2001, the Company indemnifies each of the directors, the company secretary and every other person who is an officer of the Company and its wholly owned subsidiaries. The above indemnity is a continuing indemnity and applies in respect of all acts done by a person while an officer of the Company or its wholly owned subsidiaries even though the person is not an officer at the time the claim is made.

The Company has entered into a Deed of Indemnity, Access and Insurance ("Deed") with each current and former officer of the Company and its subsidiaries, including each director and company secretary and persons who previously held those roles.

During the financial year, the Company has paid a premium in respect of insuring the directors and officers of the Company and the Group. The insurance contract prohibits disclosure of the premium or the nature of liabilities insured against under the policy.

No indemnity or insurance is in place in respect of the auditor.

Remuneration report (audited)

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001.

This report outlines the remuneration arrangements in place for Directors of First Graphene Limited and Executives of the Group.

Key Management Personnel ('KMP') disclosed in this report:

Mr Warwick Grigor	Non-Executive Chairman
Dr Andy Goodwin	Non-Executive Director
Mr Michael Bell	Managing Director & Chief Executive Officer
Mr Michael Quinert	Non-Executive Director
Mr Aditya Asthana	Chief Financial Officer & Company Secretary (resigned 11 March 2024)

Remuneration Policy

Emoluments of Directors and Senior Executives are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the Directors and Executives. Details of the nature and amounts of emoluments of each Director of the Company are disclosed annually in the Company's annual report.

Directors and Senior Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

There has been no direct relationship between the Group's financial performance and remuneration of key management personnel over the previous 5 years.

Executive Director Remuneration

Executive pay and reward consist of a base fee and short-term performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles.

Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

The remuneration policy is designed to encourage superior performance and long-term commitment to First Graphene. Whilst at this stage of the Company's development, there is no contractual cash performance-based remuneration, but further incentivisation is extended to Directors as Performance Rights.

Executive Directors do not receive any fees for being Directors of First Graphene or for attending Board meetings.

All Executive Directors, Non-Executive Directors and responsible executives of First Graphene are entitled to an Indemnity and Access Agreement under which, inter alia, they are indemnified as far as possible under the law for their actions as Directors and officers of First Graphene.

Non-Executive Director Remuneration

The Company's policy is to remunerate non-executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. Given the Company is at its early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options or Performance rights to Non-Executive Directors, subject to obtaining the relevant approvals. This Policy is subject to annual review. All of the Directors' option holdings and performance rights are fully disclosed. From time to time the Company may grant options to non-executive Directors. The grant of options is designed to recognise and reward efforts as well as to provide Non-Executive Directors with additional incentive to continue those efforts for the benefit of the Company.

Non-Executive Directors are remunerated for their services from the maximum aggregate amount (currently $300,000 per annum) approved by shareholders for this purpose. They receive a base fee which is currently set at $35,000 per annum per non-executive Director and $30,000 per annum for the non-executive Chairman. There are no termination payments to non-executive Directors on their retirement from office.

The Company's policy for determining the nature and amounts of emoluments of Board members and Senior Executives of the Company is set out below:

Setting Remuneration Arrangements

The Company does not have a separate Remuneration Committee. Given the current size and composition of the Board, the Board believes there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of the Remuneration Committee. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter.

Executive Officer Remuneration, including Executive Directors

The remuneration structure for Executive Officers, including Executive Directors, is based on a number of factors, including length of service, the particular experience of the individual concerned, and the overall performance of the Company. The contracts for service between the Company and specified Directors and Executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement Executive Directors and Executives are paid employee benefit entitlements accrued to the date of retirement.

As an incentive, the Company has adopted an employee share option plan. The purpose of the plan is to give employees, directors and officers of the Company an opportunity, in the form of options, to subscribe for shares. The Directors consider the plan will enable the Company to retain and attract skilled and experienced employees, board members and officers, and provide them with the motivation to make the Company more successful.

Details of remuneration for the year ended 30 June 2024

The remuneration for each Director and key management executives of the Group during the year was as follows:

30 June 2024	Director's fees A$	Salary A$	Bonus payment as per contracts A$	Post-Employment Entitlements A$	Share based payments A$	Total A$	Value of remuneration which is performance related %
Executive Directors							
Michael Bell (ii)	-	370,417	-	16,042	113,071	**499,530**	23
Non-Executive Directors							
Warwick Grigor(ii)	30,000	90,000	-	13,200	23,618	**156,818**	15
Dr Andy Goodwin(ii)	38,649	-	-	5,186	7,834	**51,669**	15
Michael Quinert(ii)	34,992	-	-	-	10,515	**45,507**	23
Other Key Management Personnel							
Aditya Asthana(i) (ii)	-	211,897	-	20,242	40,592	**272,731**	15
Total	**103,641**	**672,314**	**-**	**54,670**	**195,630**	**1,026,255**	

i. Aditya Asthana left the company effective 11 March 2024.
ii. Please refer to Page 16 for assumptions used in calculating the share-based payment expenses

Details of remuneration for the year ended 30 June 2023

The remuneration for each Director and key management executives of the Group during the year was as follows:

30 June 2023	Director's fees A$	Salary A$	Bonus payment as per contracts A$	Post-Employment Entitlements A$	Share based payments A$	Total A$	Value of remuneration which is performance related %
Executive Directors							
Michael Bell (i) (ii)	-	381,490	-	-	214,808	**596,298**	36
Non-Executive Directors							
Warwick Grigor(ii)	30,000	90,000	-	12,000	12,500(ii)	**144,500**	9
Dr Andy Goodwin(ii)	37,995	-	-	-	37,500	**75,495**	50
Michael Quinert(ii)	34,992	-	-	-	6,250	**41,242**	15
Other Key Management Personnel							
Aditya Asthana(ii)	-	257,916	-	27,081	41,016	**326,013**	13
Total	**102,987**	**729,406**	**-**	**39,081**	**312,074**	**1,183,548**	

i. The share-based payment incudes $80,911, which represents the fair value expense of the 5,000,000 options granted to Michael Bell in the financial year 2021, which he can choose to exercise by paying $0.25 per share to the company

ii. Please refer to Page 16 for assumptions used in calculating the share-based payment expenses

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The Group is in the early development phase of its operations, and due consideration is made of developing long term shareholder value. The Board has regard to the following indices in respect of the current financial year to facilitate the long-term growth of the Consolidated Group:

Item	2024	2023	2022	2021	2020
Sales revenue $	**492,003**	**861,167**	**723,323**	341,869	289,773
Loss before tax $	**(6,414,766)**	**(5,421,710)**	**(5,033,108)**	(6,284,757)	(5,366,149)
Basic loss per shares (cents)	**(1.00)**	**(0.94)**	**(0.91)**	(1.19)	(1.11)
Increase/(decrease) in share price %	**(26.1)**	**(40.0)**	**(60.34)**	133.1	(45.1)

Relationship between Remuneration and Company Performance

There is not a connection between the profitability of the Company and remuneration as the Company is not generating profits.

Name	% Fixed remuneration	% Short Term Incentive	% Long Term Incentive
Warwick Grigor	92%	-	15%
Dr Andy Goodwin	89%	-	15%
Michael Quinert	89%	-	23%
Michael Bell	78%	-	23%
Aditya Asthana	85%	-	15%

Contractual Arrangements with KMP

Remuneration and other terms of employment for Key Management Personnel are formalised in service agreements. These agreements specify the components of remuneration benefits and notice periods. The material terms of service agreements with the Key Management Personnel are noted as follows:

			Notice Period		
Name	Base Salary	Duration of Service Agreement	By Executive	By Company	Severance Payment Entitlement
Michael Bell	350,000	Ongoing	3 months	3 months	No entitlement

There are no other service agreements in place.

Share-based compensation

Shares issued as part of remuneration for the year ended 30 June 2024

3,572,481 performance rights were issued to key management personnel, of which 2,226,991 of the performance rights have vested in FY 24 and were converted to shares.

Options issued as part of remuneration for the year ended 30 June 2024

No options were issued to key management personnel as part of compensation during the year. Options that had been issued as part of remuneration in prior years expired during FY24.

Options holdings held by key management personnel

Directors	Balance 01.07.23	Granted	Exercised	Lapsed	Balance 30.06.24	Total vested 30.06.24	Vested & exercisable 30.06.24	Vested & un-exercisable 30.06.24
Warwick Grigor	3,000,000	-	-	(3,000,000)	-	-	-	-
Dr Andy Goodwin	1,000,000	-	-	(1,000,000)	-	-	-	-
Michael Quinert	-	-	-	-	-	-	-	-
Michael Bell	5,000,000	-	-	(5,000,000)	-	-	-	-
Aditya Asthana	-	-	-	-	-	-	-	-

Performance rights issued as part of remuneration for the year ended 30 June 2024

Performance rights holdings held by key management personnel

Directors	Balance 01.07.23	Granted	Vested	Other (i)	Balance 30.06.24	Grant Date	Share Price A$
Warwick Grigor	400,000	-	316,008	-	400,000	17/10/2022	0.13
Dr Andy Goodwin	450,000	-	353,587	(300,000)	150,000	17/10/2022	0.13
Michael Quinert	200,000	-	126,206	-	200,000	17/10/2022	0.13
Michael Bell	-	1,638,704	1,638,704	(1,638,704)	-	15/11/2021	0.068
Aditya Asthana	-	588,287	588,287	(588,287)	-	15/11/2021	0.068

i. Performance Rights converted to shares by Directors and KMP

Under the Company's Incentive Award Plan, Performance Rights (PR) are granted to employees following the release of the Company's full financial year results starting October 2022 till December 2024. The employees have an option to convert each right to a fully paid ordinary share in the company. At the time of allotment of the PRs the Company recognises an employee expense, with a corresponding increase in reserves. When the employee chooses to convert the rights to ordinary shares the company recognises an increase in equity with a corresponding decrease in reserves previously recognised. Over financial year ended 30 June 2024, the company has issued 2,542,358 (2023: 1,890,689) PRs to Directors and Key Management Personnel. In order to maintain a conservative position with regards to cash expenditure until closer to a cash flow positive stage, the Company has also issued additional 315,367 PRS in lieu of cash salary increase to the directors and Key Management Personnel.

In 2023, the amount includes 1,050,000 Performance Rights issued to its Non-Executive Directors as announced to the ASX in the Company's Notice of Meeting for its 2022 Annual General Meeting. 795,802 of these 1,050,000 PRs have already vested, for which the Company has recognised an employee expense, with a corresponding increase in reserve.

1. 25% of the Performance Rights will be measured against the 20-day VWAP Share price at 30 June of the applicable financial year (Tranche 2: FY23; Tranche 3: FY24). These rights were valued using a hybrid share option pricing model with the following inputs:

	Grant date	Spot price	Expiry date	Volatility	Risk free rate	Value per right
Tranche 2	17/10/22	$0.110	17/10/26	75%	3.35%	$0.021
Tranche 3	17/10/22	$0.110	17/10/27	75%	3.35%	$0.035

2. 40% of the Performance Rights will be measured against the sales revenue received during the applicable financial year (Tranche 2: FY23; Tranche 3: FY24) based on audited accounts. These rights have been valued at the share price on the grant date. These rights were valued using a hybrid share option pricing model with the same inputs used above in Note 1.

In addition, vesting of each Tranche is subject to:

- 10% of the Performance Rights will be subject to the achievement by a Director of their personal KPI for an applicable financial year as determined by the Board; and
- 25% of the Performance Rights will be subject to the Director remaining a director of the Company.
- No valuation assumptions required as these are non-financial targets

The Performance Rights have expiry dates as follows: Tranche 1: 3 years from grant; Tranche 2: 4 years from grant; Tranche 3: 5 years from grant. Management have determined the probability of the rights vesting to be 100%.

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Vesting conditions for Performance Rights issued to KMP's (excluding Non-Executive Directors):

1. Share Price Target: $0.35
2. Total Revenue Target: $2 million
3. Continued employment with the company on date of issue of Performance Rights
4. Completion of personal KPIs
5. If a Share Price or a Total Revenue Vesting Condition is partially met, a proportionate percentage of Performance Rights in the applicable Tranche will vest. For example, if FY23 Sales Revenue was $1,000,000, 20% of the Performance Rights in Tranche 1 will vest (being 50% of 40%).

The weighting applied to each KPI for individual employees is dependent on their role and their impact on the KPIs.

Shareholdings held by key management personnel

Directors	Balance 01.07.23	Granted	Exercise of options	Acquired	Other	Balance 30.06.24
Warwick Grigor	19,083,772	-	-	-	-	19,083,772
Dr Andy Goodwin	2,008,993	-	-	-	300,000 (i)	2,308,993
Michael Quinert	80,000	-	-	312,500	-	392,500
Michael Bell	1,163,979	-	-	78,125	1,638,704 (i)	2,880,808
Aditya Asthana	375,511	-	-	-	588,287 (i)	963,798

i. Shares issued upon vesting and exercising of performance rights in the year.

Transactions with other related parties

There were no loans or other transactions with key management personnel.

Voting Rights

At the 2023 Annual General Meeting held on 20 November 2023 there were 3.4% of the votes against the adoption of the remuneration report.

End of audited Remuneration Report

Auditor's independence

The Directors received the independence declaration from the auditor of First Graphene Limited as stated on page 19.

Non-audit services

During the period, BDO Corporate Tax (WA) Pty Ltd was paid $53,608 for the provision of taxation services (2023: $56,873). BDO Corporate Tax (WA) Pty Ltd is an affiliate member of BDO Audit Pty Ltd. Refer to Note 23 for further details.

The board of directors has considered the position and is satisfied the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied the provision of non-audit services by the auditor, as set out in Note 23, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*

Signed in accordance with a Resolution of the Directors.

Michael Bell
Managing Director and Chief Executive Officer

Dated at Perth this 1st day of October 2024

Corporate Governance Statement

The Company's full Corporate Governance Statement is available on the Company's website, www.firstgraphene.net/corporate/corporate-governance.html.

A completed Appendix 4G and the full Corporate Governance Statement have been lodged with the Australian Securities Exchange as required under Listing Rules 4.7.3 and 4.7.4.

Annual General Meeting

The Company's Annual General Meeting will be held on 7th November 2024.

Details will be included in the Annual report and the Notice of Meeting, which will be issued in due course.

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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF FIRST GRAPHENE LIMITED

As lead auditor of First Graphene Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of First Graphene Limited and the entities it controlled during the period.

Jackson Wheeler

Director

BDO Audit Pty Ltd

Perth

1 October 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $	2023 (Restated) $
Continuing operations			
Revenue from contracts with customers	3	**492,003**	861,167
Cost of goods sold		**(391,259)**	(561,990)
Gross profit		**100,744**	299,177
Other operating income	4(a)	**997,811**	1,077,204
Research & development	4(b)	**(1,742,283)**	(1,598,159)
Selling & marketing	4(c)	**(329,984)**	(568,952)
Mineral lease maintenance	4(d)	**(131,900)**	(126,237)
General & administrative	4(e)	**(3,514,195)**	(3,264,232)
Loss from continuing operations before tax expense and finance		**(4,619,807)**	(4,181,199)
Non-Operating Income/Expense			
Other non-operating income		**-**	-
Share based payment expense	16	**(385,743)**	(477,673)
Finance income	5(a)	**37,939**	39,755
Finance expense	5(b)	**(1,447,155)**	(802,593)
Loss before tax expense		**(6,414,766)**	(5,421,710)
Income tax (expense)/benefit	6	**-**	-
Loss after tax		**(6,414,766)**	(5,421,710)
Other comprehensive income			
Items which may be reclassified to profit or loss			
Foreign currency translation difference on foreign operations		**(10,889)**	117,120
Total comprehensive loss for the year Attributable to the owners of First Graphene Limited		**(6,425,655)**	(5,304,590)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 30 June 2024

	Note	2024 $	2023 $
Loss for the year attributable to:			
Owners of First Graphene Limited		**(6,328,235)**	(5,421,099)
Non-Controlling interests		**(86,531)**	(611)
		(6,414,766)	(5,421,710)
Total comprehensive loss for the year attributable to:			
Owners of First Graphene Limited		**(6,339,124)**	(5,303,979)
Non-Controlling interests		**(86,531)**	(611)
		(6,425,655)	(5,304,590)
Loss per share for the year attributable to the owners of First Graphene Limited:			
Basic (loss) per share (cents per share)	7	**(1.00)**	(0.94)
Diluted Loss per share (cents per share)	7	**(1.00)**	(0.94)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying note

Consolidated Statement of Financial Position

At 30 June 2024

	Note	2024 $	2023 (Restated) $
Assets			
Current assets			
Cash and cash equivalents	8	**3,160,135**	3,225,954
Inventories	9	**820,000**	1,759,014
Trade and other receivables		**63,453**	346,495
Other current assets	10	**126,841**	726,064
Total current assets		**4,170,429**	6,057,527
Non-current assets			
Property, plant and equipment	11	**2,010,421**	2,479,526
Right of use asset	24	**412,263**	579,151
Inventories	9	**2,737,615**	2,215,237
Intangible assets		**78,288**	151,701
Other assets		**227,027**	229,244
Total non-current assets		**5,465,614**	5,654,859
Total assets		**9,636,043**	11,712,386
Liabilities			
Current liabilities			
Trade and other payables	12	**296,908**	435,832
Employee liabilities		**190,484**	276,118
Financial liabilities	13	**3,125,039**	3,622,000
Lease liabilities	24	**100,223**	90,539
Total current liabilities		**3,712,654**	4,424,489
Non-current liabilities			
Lease liabilities	24	**322,575**	440,117
Total non-current liabilities		**322,575**	440,117
Total liabilities		**4,035,229**	4,864,606
Net assets		**5,600,814**	6,847,780
Equity			
Issued capital	15	**111,406,042**	106,378,130
Reserves	16	**6,235,401**	6,095,513
Accumulated losses		**(112,139,885)**	(105,811,650)
Capital and reserves attributable to owners of First Graphene Limited		**5,501,558**	6,661,993
Non-controlling interest		**99,256**	185,787
Total equity		**5,600,814**	6,847,780

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

FIRSTGRAPHENE

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued Capital $	Share based payments reserve $	Translation reserve $	Other Reserve $	Accumulated losses $	Non-controlling interests $	Total $
As at 1 July 2023	**106,378,130**	**6,171,889**	**590**	**(76,966)**	**(105,811,650)**	**185,787**	**6,847,780**
Loss for the year	-	-	-	-	(6,328,235)	(86,531)	(6,414,766)
Foreign currency translation	-	-	(10,889)	-	-	-	(10,889)
Total comprehensive loss for the year	**-**	**-**	**(10,889)**	**-**	**(6,328,235)**	**(86,531)**	**(6,425,655)**
Share placements during the year	-	-	-	-	-	-	-
Shares issued	4,812,916	-	-	-	-	-	4,812,916
Transactions with non-controlling interest	-	-	-	-	-	-	-
Share issue costs	(19,971)	-	-	-	-	-	(19,971)
Share based payment transactions	234,967	150,777	-	-	-	-	385,744
Vesting of performance rights	-	-	-	-	-	-	-
Transfer to accumulated losses	-	-	-	-	-	-	-
30 June 2024	**111,406,042**	**6,322,666**	**(10,299)**	**(76,966)**	**(112,139,885)**	**99,256**	**5,600,814**

	Issued Capital $	Share based payments reserve $	Translation reserve $	Other Reserve $	Accumulated losses $	Non-controlling interests $	Total $
As at 1 July 2022	**102,845,907**	**5,931,862**	**(116,530)**	**(76,966)**	**(100,389,940)**	**185,787**	**8,380,120**
Loss for the year	-	-	-	-	(5,421,710)	-	(5,421,710)
Foreign currency translation	-	-	117,120	-	-	-	117,120
Total comprehensive loss for the year	**-**	**-**	**117,120**	**-**	**(5,421,710)**	**-**	**(5,304,590)**
Share placements during the year	-	-	-	-	-	-	-
Shares issued	3,332,381	-	-	-	-	-	3,332,381
Transactions with non-controlling interest	-	-	-	-	-	-	-
Share issue costs	(37,804)	-	-	-	-	-	(37,804)
Share based payment transactions	237,646	240,027	-	-	-	-	477,673
Vesting of performance rights	-	-	-	-	-	-	-
Transfer to accumulated losses	-	-	-	-	-	-	-
30 June 2023	**106,378,130**	**6,171,889**	**590**	**(76,966)**	**(105,811,650)**	**185,787**	**6,847,780**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying note

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		**1,144,215**	726,673
Payments to suppliers and employees		**(4,771,988)**	(5,070,778)
Interest received		**37,939**	40,195
Interest paid		**(40,729)**	-
R&D and grant funding received		**815,267**	901,609
Other income		**-**	-
Net cash outflows from operating activities	18	**(2,815,296)**	(3,402,301)
Cash flows from investing activities			
Payments for property, plant and equipment		**(52,484)**	(94,291)
Payments for intellectual property		**-**	(45,512)
Net cash outflows from investing activities		**(52,484)**	(139,803)
Cash flow from financing activities			
Proceeds from placement of shares		**2,912,916**	-
Payment of share issue/capital raising costs		**(19,971)**	(37,804)
Finance lease payments		**(79,605)**	(198,862)
Net cash inflows / (outflows) from financing activities		**2,813,340**	(236,666)
Net decrease in cash and cash equivalents		**(54,440)**	(3,778,770)
Cash and cash equivalents at beginning of the year		**3,225,954**	7,004,724
Effect of exchange rate fluctuations on cash held		**(11,379)**	-
Cash and cash equivalents at end of the year	8	**3,160,135**	3,225,954

The above consolidated statement of cash flows should be read in conjunction with the accompanying note

Notes to the Consolidated Financial Statements

1. Basis of Preparation

First Graphene Limited ("First Graphene" or the "Company") is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is:

First Graphene Limited
1 Sepia Close
Henderson WA 6166

A description of the nature of operations and principal activities of FGR and its subsidiaries (collectively, the "Group") is included in the Directors' Report, which is not part of these financial statements.

The financial statements were authorised for issue in accordance with a resolution of the directors on 1 October 2024

The financial report is a general-purpose financial report which:

- has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on a historical cost basis except for assets and liabilities and share-based payments which are required to be measured at fair value. The basis of measurement is discussed further in the individual notes;
- is presented in Australian dollars;

Accounting policies

New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of new accounting standards and interpretations effective for annual periods beginning 1 July 2023. The effect of the adoption of these new accounting standards and interpretations did not have a material impact on the annual consolidated financial statements of the Group.

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but are not yet effective:

AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended), effective for annual reporting periods beginning on or after 1 January 2025;*

AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants, effective for annual reporting periods beginning on or after 1 January 2024;*

AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback, effective for annual reporting periods beginning on or after 1 January 2024;*

Notes to the Consolidated Financial Statements

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements, *effective for annual reporting periods beginning on or after 1 January 2024;*

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability, effective for annual reporting periods beginning on or after 1 January 2025.

Going Concern

For the year ended 30 June 2024 the entity recorded a loss of $6,414,766 (2023: $5,421,710) and had net cash outflows from operating activities of $2,815,296 (2023: $ 3,402,301).

The ability of the entity to continue as a going concern is dependent on securing additional funding through the sale of equity securities to either existing or new shareholders to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty which may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The entity expects to receive additional funds via the issue of equity securities to either existing or new shareholders; and

- In the event of further funds not being raised, the entity's activities would be wound back to a sustainable level.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts which differ from those stated in the financial statements and the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities which might be necessary should the entity not continue as a going concern.

Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The following Standards and Interpretations have been issued by the AASB, are relevant to the Group, but are not yet effective and have not been adopted by the Group for the period ending 30 June 2024. Unless otherwise stated, the Group has yet to fully assess the impact of these Standards and Interpretations when applied in future periods.

Basis of consolidation

The consolidated financial statements comprise the financial statements of First Graphene Limited and its subsidiaries as at 30 June 2024 (the **Group**).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Notes to the Consolidated Financial Statements

- Power over the investee (i.e. existing rights that give the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained'
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Foreign currency translation

The financial report is presented in Australian dollars, which is First Graphene Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Consolidated Financial Statements

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

MATERIAL ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

KEY ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes.

Share Based Payments Estimates

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the binomial or black-scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 16 or further information.

Services Revenue

Judgement has been exercised in calculating and recognition of Service Revenue. This applies to estimating percentage of work completed on each project that is being under taken.

Convertible notes carried at fair value

On initial recognition, the value of the convertible notes was calculated based on the proceeds received. At each reporting date the fair value of the conversion feature within the financial liability is estimated using a valuation model that utilises various inputs to model share prices in different scenarios. Refer to Note 13.

Notes to the Consolidated Financial Statements

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product based on prevailing spot metals process at the reporting date, less estimated costs to complete production and bring the product to sale. Inventory held at 30 June 2024 relates to raw material, work in progress and finished goods and is held at the lower of cost and net realisable value.

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of any provision is assessed by considering recent sales experience, the ageing of inventories, damaged, obsolete, slow moving inventories and other factors that affect inventory obsolescence.

2. Segment reporting

Identification of reportable segments

The Group has identified its operating segments based on the internal reports which are reviewed and used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The existing operating segments are identified by management based on the way the Group's operations were carried out during the financial year. Discrete financial information about each of these operating businesses is reported to the Board on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the asset base and revenue or income streams, as these are the sources of the Group's major risks and have the most effect on the rates of return. The Group's segment information for the current reporting period is reported based on the following segments:

Graphene production

As the Company expands its graphene production and inventory, the Board monitors the Company based on actual verses budgeted expenditure incurred.

Research and development

As the Company expands its research inhouse and in conjunction with third parties, the Board monitors the Company based on actual verses budgeted expenditure incurred.

Corporate services

This segment reflects the overheads associated with maintaining the ASX listed FGR corporate structure, identification of new assets and general management of an ASX listed entity.

Mining Asset Maintenance

Although the Company has suspended its mineral exploration and development in Sri Lanka the Board monitors the Company based on actual verses budgeted expenditure incurred.

Notes to the Consolidated Financial Statements

Business Segment	Graphene Production $		Research & Development $		Corporate Services $		Mining Asset Maintenance $		Total $	
	2024	2023 (Restated)	**2024**	2023 (Restated)	**2024**	2023 (Restated)	**2024**	2023 (Restated)	**2024**	2023 (Restated)
Product Revenue (Point in time)	**303,141**	598,966	-	-	-	-	-	-	**303,141**	598,966
Service Revenue (Over time)	**-**	-	**188,862**	262,201	-	-	-	-	**188,862**	262,201
Total Revenue	**303,141**	598,966	**188,862**	262,201	**-**	-	**-**	-	**492,003**	861,167
Profit / (Loss) from Continuing operations	**(559,987)**	(398,288)	**(1,456,351)**	(1,055,542)	**(2,471,569)**	(2,601,132)	**(131,900)**	(126,237)	**(4,619,807)**	(4,181,199)
Depreciation Expense	**350,109**	387,778	**20,924**	31,544	**136,014**	54,266	**-**	-	**507,047**	473,588
Amortisation Expense	**121,760**	47,485	**72,727**	26,626	**16,875**	83,446	**-**	-	**211,362**	134,057
Segment assets	**3,664,265**	4,389,214	**2,590,587**	3,998,018	**3,379,531**	3,295,164	**1,660**	29,994	**9,636,043**	11,712,390
Segment liabilities	**(174,210)**	(174,210)	**(15,168)**	(345,398)	**(3,836,214)**	(4,343,045)	**(9,637)**	(1,956)	**(4,035,229)**	(4,864,609)

Notes to the Consolidated Financial Statements

Geographical areas

In presenting the information on the basis of geographical areas, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

	2024 $		2023 (Restated) $	
Geographical segments	Revenue	Total Non-Current Assets	Revenue	Total Non-Current Assets
Australia	**444,031**	**4,789,829**	861,167	5,499,802
United Kingdom	**47,972**	**81,090**	-	155,057
Sri Lanka	**-**	**-**	-	-
Total	**492,003**	**4,870,919**	861,167	5,654,859

Reconciliation of segment assets and liabilities to the Statement of financial Position

Reconciliation of segment assets to the Statement of Financial Position

	2024 $	2023 $
Total segments assets	**15,253,786**	17,905,755
Inter-segment elimination	**(5,617,743)**	(6,193,369)
Total assets per statement of financial position	**9,636,043**	11,712,386

Reconciliation of segment liabilities to the Statement of Financial Position

	2024 $	2023 $
Total segments liabilities	**23,847,361**	23,418,468
Inter-segment elimination	**(19,812,132)**	(18,553,852)
Total liabilities per statement of financial position	**4,035,229**	4,864,616

Notes to the Consolidated Financial Statements

3. Revenue from contracts with customers

Accounting Policy

The Group accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of the consideration is probable.

Revenues from product sales are recognised when an identified performance obligation is satisfied, and the customer obtains and accepts control of the Company's product. Sales of product generally occur at a point in time, typically upon delivery to the customer.

Revenue from Services is based on contracts signed customers / development partners. The transaction price is allocated across each performance obligation based on contracted prices. The performance obligation is fulfilled over time as the Group enhances the assets which the customer controls, for which the Group has no alternative use and has a right to payment for performance earned to date. Revenue is recognised in the accounting period in which services are rendered. Customers are in general invoiced for an amount that is calculated based on agreed contract terms in accordance with stand-alone selling prices for each performance obligation.

Taxes collected from customers relating to product and service sales and remitted to governmental authorities are excluded from revenues. The Company expenses incremental costs of obtaining a contract as and when incurred because the expected amortisation period of the asset that the Company would have recognised is one year or less.

	Notes	2024 $	2023 (Restated) $
Types of goods			
Sale of Goods		**303,141**	598,966
Sales of Services		**188,862**	262,201
Total revenue from contracts with customers		**492,003**	861,167

Notes to the Consolidated Financial Statements

Group recognises revenue under IFRS 15, using the point in time criteria for Product Revenue and over time criteria for Service Revenue.

For Product Revenue, the customer obtains control of a promised asset and the entity satisfies a performance obligation. Considerations include, but are not limited to:

- The entity has a present right to payment for the asset.
- The customer has legal title to the asset.
- The entity has transferred physical possession of the asset to the customer.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

Revenue from Services is based on contracts signed customers / development partners.

- The transaction price is allocated across each performance obligation based on contracted prices.
- The performance obligation is fulfilled over time as the Group enhances the assets which the customer controls, for which the Group has no alternative use and has a right to payment for performance earned to date.
- Revenue is recognised in the accounting period in which services are rendered. Customers are in general invoiced for an amount that is calculated based on agreed contract terms.

4. Operating expenses and other income

Accounting Policy

All revenue is stated net of the amount of goods and services tax (GST).

Other revenue includes R&D credits received from the Australian & UK tax government.

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited against the asset and is released to the Statement of Profit or Loss and Other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to other income in the Statement of Profit or Loss and Other Comprehensive Income in the year of receipt.

Notes to the Consolidated Financial Statements

Other revenue and expenses from continuing operations:

		Notes	2024 $	2023 $
(a)	**Other income**			
	R&D tax incentive		**815,267**	914,099
	Grant income		**182,544**	163,105
			997,811	1,077,204
(b)	**Research & development**			
	Employee expenses		**655,460**	658,993
	Consultant and research programs		**889,270**	436,714
	Legal and taxation expenses		**-**	20,426
	Depreciation		**20,924**	31,544
	Amortisation		**72,727**	26,626
	Other		**103,902**	423,856
			1,742,283	1,598,159
(c)	**Selling & marketing**			
	Employee expenses		**159,873**	419,862
	Advertising & promotion		**120,770**	-
	Depreciation		**2,292**	2,880
	Other		**47,049**	146,210
			329,984	568,952
(d)	**Mining lease maintenance**			
	Employee expenses		**43,733**	36,915
	Rent of premises		**57,348**	54,107
	Other		**30,819**	35,215
			131,900	126,237
(e)	**General & administrative**			
	Employee expenses		**1,547,898**	1,616,123
	Director, finance & company secretarial fees		**104,457**	56,698
	Legal & other professional fees		**296,505**	301,636
	Share registry, listing and other corporate costs		**168,919**	108,041
	Depreciation		**483,831**	439,164
	Amortisation		**138,635**	130,931
	Rent of premises		**9,769**	-
	Insurances		**209,907**	114,039
	Loss on disposal of property, plant and equipment		**14,546**	-
	Other		**539,728**	497,600
			3,514,195	3,264,232

Notes to the Consolidated Financial Statements

5. Finance income and expense

Accounting Policy

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

	Notes	2024 $	2023 $
(a) Finance income			
Interest income on bank deposits		**37,939**	39,755
		37,939	39,755
(b) **Finance expense**			
Finance Cost (i)		**(1,403,039)**	(819,130)
Interest – Right of use Asset		**(20,584)**	(9,230)
Other interest		**(20,144)**	-
Foreign exchange (loss)/gain		**(3,388)**	25,768
		(1,447,155)	(802,593)

(i) Finance Cost noted above is in accordance to the terms of the Share Placement Agreement with Specialty Materials Investments, LLC that the Company entered into on the 27th of May 2021 (Note 13). The expense recognises the value of the additional shares to be issued ($900,000 over the life of the contract) and the issuance shares at a discount to the prevailing market price per the terms of the agreement.

	Share price on issue date	2024 $	2023 $
Additional Shares to be issued		-	186,749
4,761,905 shares issued @ 10.5c	14c	-	166,667
9,523,810 shares issued @ 10.5c	13.5c	-	285,714
5,000,000 shares issued @ 10c	12c	-	100,000
2,222,222 shares issued @ 9c	9.9c	-	20,000
6,666,667 shares issued @ 7.5c	8.4c	-	60,000
20,000,000 shares issued @5c	9.5c	**900,000**	-
Fair value adjustment	-	**503,039**	-
		1,403,039	819,130

Notes to the Consolidated Financial Statements

6. Income tax

Accounting Policy

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The major components of income tax expense are:

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Income Tax Expense	2024 $	2023 $
(a) Income tax expense/(benefit)	**-**	-
Current tax	**-**	-
Deferred tax	**-**	-
Under/(over) provision in prior years	**-**	-
Total income tax expense	**-**	-
(b) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited in equity		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-
(c) Reconciliation of income tax expense to prima facie tax payable		
- Loss before income tax from all activities	**(6,414,766)**	(5,421,710)
- Prima facie income tax benefit on loss before income tax at 25% (2023: 25%)	**(1,603,692)**	(1,355,428)
- Entertainment	**1,713**	2,206
- Share based payments	**75,350**	119,418
- Non-assessable income	**(203,817)**	(228,525)
- Other permanent differences	**56,132**	54,299
- Foreign Tax Rate Differential	**95,676**	98,538
- Deferred tax assets not brought to account	**1,578,638**	1,309,492
Income tax expense/(benefit)	**-**	-
The applicable weighted average effective tax rates	**0%**	0%
(d) Deferred tax liability		
Prepaid expenditure	**(29,885)**	(42,790)
Other temporary differences	**-**	87
	(29,885)	(42,703)
Off-set of deferred tax assets	**29,885**	42,703
Net deferred tax liability recognised	**-**	-

Notes to the Consolidated Financial Statements

Income Tax Expense	2024 $	2023 $
(e) Unrecognised deferred tax asset		
Tax losses	**8,369,307**	7,685,057
Capital losses	**7,310,519**	7,310,519
PPE & Leases	**2,634**	(12,124)
Other temporary differences	**76,705**	105,997
	15,759,165	15,089,449
Off-set of deferred tax liabilities	**(29,885)**	(42,703)
Net deferred tax assets unrecognised	**15,729,280**	15,046,746

The Group has Australian revenue losses from previous years for which no deferred tax assets have been recognised. The availability to utilise these losses in future periods is subject to review in the relevant jurisdictions.

7. Loss per share

Accounting Policy

Loss per share ("LPS") is the amount of post-tax profit attributable to each share. The group presents basic and diluted LPS data for ordinary shares. Basic LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted LPS takes into account the dilutive effect of all potential ordinary shares, being unlisted employee share options on issue.

	Number of shares 2024	Number of shares 2023
Weighted average ordinary shares used in calculating basic earnings per share	**630,062,694**	579,228,053
Weighted average ordinary shares used in calculating diluted earnings per share	**630,062,694**	579,228,053
Basic loss per share - cents per share	**(1.00)**	(0.94)
Diluted loss per share - cents per share	**(1.00)**	(0.94)

	2024 $	2023 $
Loss attributable to the owners of First Graphene used in calculating basic loss per share	**(6,328,235)**	(5,421,710)
Loss attributable to the owners of First Graphene used in calculating diluted loss per share	**(6,328,235)**	(5,421,710)

Notes to the Consolidated Financial Statements

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements which would impact on the above EPS calculations.

8. Cash and cash equivalents

Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand. Cash at bank earns interest at floating rates based on daily bank deposit rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at the end of the reporting period:

	2024 $	2023 $
Cash at bank and in hand	**3,160,135**	3,225,954
	3,160,135	3,225,954

The Group's maximum exposure to financial risk is disclosed in note 14.

OPERATING ASSETS AND LIABILITIES

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the capital structure and finance costs section on page 42.

9. Inventories

Accounting Policy

Raw material, work in progress, finished goods and consumables are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories expected to be sold within 12 months after the Statement of financial position date are classified as current assets, all other inventories are classified as non-current.

Notes to the Consolidated Financial Statements

Inventories (continued)

Total Inventories	2024 $	2023 $
Raw materials	**2,008,322**	2,057,681
Work in progress	**27,677**	99,159
Finished goods	**1,563,736**	1,859,532
Inventories Gross	**3,599,735**	4,016,371
Less: Provision for impairment	**(42,120)**	(42,120)
Carrying amount	**3,557,615**	3,974,251
Disclosed as:		
Current	**820,000**	1,759,014
Non-current	**2,737,615**	2,215,237
Total inventory	**3,557,615**	3,974,251

The cost of inventories recognised as an expense during the year in respect of continuing operations was $391,259 (2023: $294,362).

10. Other assets

	2024 $	2023 $
Prepayments	**126,841**	726,064
Total other assets	**126,841**	726,064

11. Property, plant and equipment

Accounting Policy

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure which is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Capital Work in Progress – 15 years

Plant and Equipment – 5 years

Office Equipment – 3 years

Motor Vehicles – 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Notes to the Consolidated Financial Statements

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to the profit or loss.

Key estimates and assumptions

Useful Life of Assets

The estimation of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. If they need to be modified, the depreciation and amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

"Capital work in progress is projects of a capital nature which usually relates to the construction/installation of buildings, plant or equipment. Upon completion (when ready for use) capital work in progress is transferred to the relevant asset category. Capital work in progress is not depreciated."

Reconciliations of the carrying value for each class of property, plant and equipment is set out below:

30 June 2024	Capital Work in Progress	Plant and equipment	Office equipment	Motor vehicles	Total
Carrying amount at beginning of year	**150,890**	**2,294,163**	28,477	5,996	**2,479,526**
Additions	49,677	2,807	-	-	52,484
Disposal	(625)	(13,921)	-	-	(14,546)
Depreciation	-	(492,897)	(12,390)	(1,760)	(507,047)
Transfers	(151,942)	152,088	-	(146)	-
Movement due to foreign exchange	-	4	-	-	4
Carrying amount at end of year	**48,000**	**1,942,244**	**16,087**	**4,090**	**2,010,421**

30 June 2023	Capital Work in Progress	Plant and equipment	Office equipment	Motor vehicles	Total
Carrying amount at beginning of year	**625,125**	**2,176,724**	45,050	7,756	**2,854,655**
Additions	68,467	111,245	-	-	179,712
Depreciation	-	(453,250)	(16,645)	(1,760)	(471,655)
Transfers	(542,702)	542,702	-	-	-
Movement due to foreign exchange	-	(83,258)	72	-	(83,186)
Carrying amount at end of year	**150,890**	**2,294,163**	**28,477**	**5,996**	**2,479,526**

Notes to the Consolidated Financial Statements

12. Trade and other payables

Accounting Policy

Trade and other payables represent the liabilities for goods and services received by the entity which remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2024 $	2023 $
Current		
Trade and other payables	**122,698**	261,622
Customer deposits	**174,210**	174,210
	296,908	435,832

13. Financial liabilities

Accounting Policy

Convertible notes were issued by the Group which include embedded derivatives. Convertible notes are initially recognised as financial liabilities at fair value.

On initial recognition the fair value of the convertible notes equated to the proceeds received and subsequently the convertible note is measured at fair value. The movements are recognised in profit and loss as finance costs except to the extent the movement is attributed to changes in the group's own credit risk status in which case, it is recognised in Other Comprehensive Income.

Terms and Conditions

The Company entered into a Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) on the 27th of May 2021.

- Total AUD amount that can be drawn down: $8,000,000
- Initial deposit shares issued: 2,800,000 shares at $0.235 per share
- Fee paid: 1,021,276 shares at $0.235 per share
- Final AUD value of shares to be issued: $8,480,000 ("subscription amount")
- Other Terms:
- The final number of shares to be issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount. The Purchase Price will initially be equal to $0.30 per share and will reset after 10 August 2021 to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, rounded down to the next half a cent if the share price is at below 50 cents and whole cent if the share price is at above 50 cents, with no discount applicable to this formula. To the extent that Placement Shares are issued after six months, or 12 months, the Investor will receive a discount of, respectively, 3% or 6% to the foregoing Purchase Price formula.
- The Purchase Price will be the subject of a Floor Price of $0.16. If the Purchase Price formula were to result in a purchase price that is less than the Floor Price, the

Notes to the Consolidated Financial Statements

Company may refuse to issue shares and instead opt to repay the relevant subscription amount in cash (with a 5% premium), subject to the Investor's right to receive Placement Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap.

- The Company will issue the Placement Shares in relation to all or part of each of the above investments on the Investor's request, during the period ending 24 months after the date of the investment.
- The Company has retained the right (but has no obligation) to repay the subscription amount in cash in lieu of issuing shares by way of a repayment of the subscription amount together with the difference between the market price of the shares and the Purchase Price (if any) in relation to the shares that would otherwise have been issued.
- In October 2022, the agreement was varied thereby extending the term over which the shares are to be issued by another 12 months and in May 2024, the agreement was varied thereby extending the term over which the shares are to be issued by a further 12 months.

	2024 $	2023 $
Current		
Convertible liabilities	**3,125,039**	3,622,000
	3,125,039	3,622,000

Opening Balance at 1st Jul 22	**6,135,251**
Finance Charge	186,749
4,761,905 Shares at an issue price of $0.105 per Share on 25 July 2022	(500,000)
9,523,810 Shares at an issue price of $0.105 per Share on 29 July 2022	(1,000,000)
5,000,000 Shares at an issue price of $0.10 per Share on 22 November 2022	(500,000)
2,222,222 Shares at an issue price of $0.09 per Share on 2 March 2023	(200,000)
6,666,667 Shares at an issue price of $0.075 per Share on 24 May 2023	(500,000)
Closing Balance at 30th Jun 2023 / Opening Balance 1 July 2023	**3,622,000**
20,000,000 Shares at an issue price of $0.05 per Share on 06 Oct 2023	(1,000,000)
Fair Value Adjustment	503,039
Closing Balance at 30 June 2024	**3,125,039**

The Fair Value of the conversion feature was determined via a Monte Carlo Valuation model and Black Scholes Option Pricing Model using the following inputs:

Input	
Value of the underlying share	**$0.051**
Assumed conversion date (Maturity Date)	**27-May-25**
Assumed life (years)	**0.91**
Volatility	**75%**
Risk-free rate	**4.15%**
Dividend yield	**Nil**

Notes to the Consolidated Financial Statements

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS AND RISK

This section outlines how the Group manages its capital, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an efficient capital structure to reduce the cost of capital.

The Board's policy in relation to capital management is to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Group's need for additional funding by way of either share issues or loan funds depending on market conditions at the time. The Board defines working capital in such circumstances as its excess liquid funds over liabilities and defines capital as being the ordinary share capital of the Company, plus retained earnings, reserves and net debt. In order to maintain or adjust the capital structure, the Board may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or reduce debt.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirement.

14. Financial Risk Management

(a) Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency risk and interest rate risk). The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and other receivables, deposits with banks, local money market instruments and short-term investments. The accounting policy with respect to these financial instruments is described in note 1.

Financial risk management structure:

Board of Directors

The Board is ultimately responsible for ensuring there are adequate policies in relation to risk oversight and management and internal control systems. The Group's policies are designed to ensure financial risks are identified, assessed, addressed and monitored to enable achievement of the Group's business objectives.

(b) Financial risks

Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligation resulting in financial loss to the Group. Credit risk is managed on a group basis and structures the

Notes to the Consolidated Financial Statements

levels of credit risk it accepts by placing limits on its exposure to a single counterparty or group of counterparties. The Group has no significant concentrations of credit risk.

It is the Group's policy to place funds generated internally and from deposits with clients with high quality financial institutions. The Group does not employ a formalised internal ratings system for the assessment of credit exposures. Amounts due from and to clients and dealers represents receivables sold and payables for securities purchased which have been contracted for but not yet settled on the reporting date, respectively. The majority of these transactions are carried out on a delivery versus payment basis, which results in securities and cash being exchanged within a very close timeframe. Settlement balances outside standard terms are monitored on a daily basis.

Exposure to credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the statement of financial position and the notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The Group's maximum exposure to credit risk without taking account of any collateral or other credit enhancements at the reporting date was $3,160,135 (2023: $3,225,954).

The Company banks with Westpac Banking Corporation (Westpac). Westpac's long term credit ratings are A+ (Fitch Ratings), Aa3 (Moody's Investors Service) and AA- (Standard & Poor's).

	Group	
	2024 $	2023 $
Cash and cash equivalents	**3,160,135**	3,225,954
	3,160,135	3,225,954

Impairment of financial assets

The group holds trade receivables that are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Trade receivables

The group applies the AASB 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward- looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 June 2024 was determined to be nil.

Notes to the Consolidated Financial Statements

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For the purposes of the Group's disclosures regarding credit quality, its financial assets have been analysed as follows:

	Neither Past Due nor individually impaired $	Past due but not individually impaired $	Individually impaired $	Total $	Impairment allowance $	Total carrying amount $
Consolidated 30 June 2024						
Trade receivables	**63,453**	-	-	**63,453**	**-**	**63,453**
	63,453	**-**	**-**	**63,453**	**-**	**63,453**
Consolidated 30 June 2023						
Trade receivables	346,495	-	-	346,495	-	346,495
	346,495	-	-	346,495	-	346,495

Financial assets past due but not individually impaired

For the purpose of this analysis an asset is considered past due when any payment due under the contractual terms is received one day past the contractual due date. The majority of these transactions are carried out on a delivery versus payment basis, which results in securities and cash being exchanged within a very close timeframe. Settlement balances outside standard terms are monitored on a daily basis. Credit risk is also mitigated as securities held for the counterparty by the Group can ultimately be sold should the counterparty default. There were no renegotiated financial assets during the year.

Collateral pledged or held

There is no collateral held as security by the Group or its controlled entities.

Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring forecast cash requirements and cash flows.

The primary objective of the Group is to manage short-term liquidity requirements in such a way as to minimise financial risk. The Group maintains sufficient cash resources to meet its obligations, cash deposits are repayable on demand.

Notes to the Consolidated Financial Statements

The tables below present the cash flows receivable and payable by the Group under financial assets and liabilities by remaining contractual maturities at the reporting date. The amounts disclosed are the contractual, undiscounted cash flows.

	Weighted average effective interest rate	Floating interest rate	Fixed interest		Non-interest bearing		
		Within one year	Within one year	1-5 years	Within one year	1-5 years	Total
	%	$	$	$	$	$	$
30 June 2024							
Financial assets							
Cash and cash equivalents	1.21	**2,615,014**	**72,481**	-	**472,640**	-	**3,160,135**
Total Financial assets at 30 June 2024		**2,615,014**	**72,481**	-	**472,640**	-	**3,160,135**
Trade and other payables		-	-	-	**296,908**	-	**296,908**
Financial liabilities		-	-	-	**3,125,039**	-	**3,125,039**
Lease Liabilities		-	-	-	**100,223**	**322,575**	**422,798**
Total financial liabilities at 30 June 2024		**-**	**-**	**-**	**3,522,170**	**322,575**	**3,844,745**
30 June 2023							
Financial assets							
Cash and cash equivalents	**0.01**	**3,225,954**	**-**	**-**	**-**	**-**	**3,225,954**
Total Financial assets at 30 June 2023		**3,225,954**	**-**	**-**	**-**	**-**	**3,225,954**
Trade and other payables		**-**	**-**	**-**	**435,832**	**-**	**435,832**
Financial liabilities		**-**	**-**	**-**	**3,622,000**	**-**	**3,622,000**
Lease Liabilities		**-**	**-**	**-**	**90,539**	**440,117**	**530,656**
Total financial liabilities at 30 June 2023		**-**	**-**	**-**	**4,148,371**	**440,117**	**4,588,488**

Notes to the Consolidated Financial Statements

Trade and other payables and borrowings are expected to be paid as follows:

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
30 June 2024				
Trade and other payables (refer note 12)	296,908	-	-	-
Financial liabilities (refer note 13)	3,125,039	-	-	-
	3,421,947	-	-	-
30 June 2023				
Trade and other payables (refer note 12)	435,832	-	-	-
Financial liabilities (refer note 13)	3,622,000	-	-	-
	4,057,832	-	-	-

Market Risk

Market risk is the risk the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Foreign exchange risk

The consolidated entity undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency which is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's profitability can be significantly affected by movements in the $US/$A exchange rates, and to a lesser degree, though movements in the Sri Lankan Rupee verses the Australian dollar. Through reference to industry standard practices, and open market foreign currency trading patterns within the past 12 months, the group set the level of acceptable foreign exchange risk.

The Group seeks to manage this risk by holding foreign currency in $US GBP£ and Sri Lankan Rupee.

Sensitivity analysis

The following table does not include intra group financial assets and liabilities. It summaries the sensitivity of the Group's financial assets and liabilities to external parties at 30 June 2024 to foreign exchange risk, based on foreign exchange rates as at 30 June 2024 and sensitivity of +/-5%:

	30 June 2024 rate (cents)
US$/A$	0.6688
GBP/A$£	0.5286
LKR/A$	204.47

Notes to the Consolidated Financial Statements

	Foreign exchange risk	
	2024 $	2023 $
Change in profit/loss due to:		
Improvement in AUD by 5%	**(76,697)**	(74,476)
Decline in AUD by 5%	**76,697**	74,476
Change in equity due to:		
Improvement in AUD by 5%	**(76,697)**	(74,476)
Decline in AUD by 5%	**76,697**	74,476

(ii) Interest rate risk

Group

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash position. A change of 10 basis points in interest rates at the reporting date would result in a change of profit or loss by the amounts shown below. This analysis assumes all other factors remain constant.

Profile

At reporting date the interest rate profile of the Group's financial instruments was:

		Interest rate risk			
	2024	-10bps		+10bps	
	$	Profit	Equity	Profit	Equity
Floating rate instruments Cash at bank	**2,615,014**	**(2,615)**	**-**	**2,615**	**-**
	2,615,014	**(2,615)**	**-**	**2,615**	**-**
	2023 $				
Floating rate instruments Cash at bank	3,225,954	(2,614)	-	2,614	-
	3,225,954	(2,614)	-	2,614	-

(c) Net fair values

Fair value versus carrying amount

Fair value of financial instruments

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments which are carried in the financial statements.

Methodologies and assumptions

For financial assets and liabilities which are liquid or have short term maturities it is assumed the carrying amounts approximate to their fair value.

Notes to the Consolidated Financial Statements

	Note	30 June 2024 Carrying amount $	30 June 2024 Net fair value $	30 June 2023 Carrying amount $	30 June 2023 Net fair value $
Assets carried at amortised cost					
Trade and other receivables		**63,453**	**63,453**	346,495	346,495
Total financial assets		**63,453**	**63,453**	346,495	346,495
Liabilities carried at amortised cost					
Trade and other payables	12	**296,908**	**296,908**	435,832	435,832
Financial liabilities	13	**3,125,039**	**3,125,039**	3,622,000	3,622,000
Total Financial Liabilities		**3,421,947**	**3,421,947**	4,057,832	4,057,832

Fair value hierarchy

The Group classified the fair value of the financial instruments in the table below according to the fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – values based on inputs, including quoted prices, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – values based on prices or valuation techniques that are not based on observable market data.

	Note	Fair value measurement using: Total $	Level 1 $	Level 2 $	Level 3 $
Financial liabilities measured at fair value - 2024					
Convertible liabilities	13	**3,125,039**	-	3,125,039	-
Total financial liabilities		**3,125,039**	-	3,125,039	-

There were no transfers between Level 1, Level 2 and Level 3 during 2024.

	Note	Fair value measurement using: Total $	Level 1 $	Level 2 $	Level 3 $
Financial liabilities measured at fair value - 2023					
Convertible liabilities	13	**3,622,000**	-	3,622,000	-
Total financial liabilities		**3,622,000**	-	3,622,000	-

Notes to the Consolidated Financial Statements

15. Issued capital

Accounting Policy

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of shares or options are recognised as a deduction from equity, net of any related income tax effects.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(a) Ordinary shares	**2024 $**	2023 $	**2024 Number**	2023 Number
Issued and fully paid	**111,406,042**	106,378,130	**659,251,723**	590,205,277
Movements in shares on issue				
At the beginning of the year	**106,378,131**	102,845,906	**590,205,277**	560,033,776
Exercise of performance rights	**234,967**	237,646	**3,531,821**	1,996,896
Shares issued to employees	**-**	-	**-**	-
Entitlement issue(i)	**1,900,000**	3,332,381	**20,000,000**	28,174,605
Shares issued to third party	**2,912,916**	-	**45,514,625**	-
Share issue costs	**(19,972)**	(37,803)	**-**	-
At the end of the year	**111,406,042**	106,378,130	**659,251,723**	590,205,277

(i) Repayment of borrowings as per the share placement agreement – Refer Note 13.

Notes to the Consolidated Financial Statements

	2024 Number	2023 Number
(b) Share options		
Unlisted share options		
At the beginning of the year	**15,000,000**	15,000,000
Options issued	**4,500,000**	-
Options exercised	**-**	-
Options expired	**(15,000,000)**	-
At the end of the year	**4,500,000**	15,000,000

	2024 Number	2023 Number
(c) Performance rights		
Unlisted performance rights		
At the beginning of the year	**1,745,888**	60,000
Performance rights issued	**4,116,974**	3,682,784
Performance rights converted	**(3,531,821)**	(1,996,896)
At the end of the year	**2,331,041**	1,745,888

Refer note 16 for further details on performance rights issued.

16. Share based payments

Accounting Policy

The value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options (the vesting period), ending on the date on which the relevant employees become fully entitled to the option (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- The grant date fair value of the option;
- The current best estimate of the number of options that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period, the likelihood of non-market performance conditions being met;
- The current best estimate of additional performance rights to be issued in lieu of cash salary increase;
- The expired portion of the vesting period.

Until an option has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.

Share based payment expense

The Group recognised total share-based payment expenses as follows:

	2024 $	2023 $
Options issued to directors	**-**	80,911
Options issued to Marketing Consultants	**81,945**	-
Performance rights issued to employees	**128,519**	165,598
Performance rights issued to KMPs	**153,662**	174,914
Performance rights issued to non-exec directors	**21,617**	56,250

Notes to the Consolidated Financial Statements

Total	**385,743**	477,673

Share Option Plan

The Company provides directors, certain employees and advisors with share options. The options are exercisable at set prices and the vesting and exercisable terms varied to suit each grant of options.

	2024		2023	
	Number of Options	**Weighted average exercise price (cents)**	Number of Options	Weighted average exercise price (cents)
Outstanding 1 July	**15,000,000**	25.0	15,000,000	25.0
Issued	4,500,000	9.4	-	-
Exercised	**-**	-	-	-
Traded / Sold	**-**	-	-	-
Lapsed	(15,000,000)	25.0	-	-
Outstanding 30 June	**4,500,000**	9.4	15,000,000	25.0

A total of 4,500,000 options were issued to Global Discovery, a marketing consultant as success-based reward for their work on the 9 February 2024. The valuation of the share-based payment transactions is measured by reference to fair value of the equity instruments at the date at which they are granted. The fair value of the options was estimated using a Black-Scholes pricing model. Expected volatility was based on the historical movement of the underlying share price around its average share price. The assumption that the historical volatility in indicative of future trends may also not necessarily be the actual outcome.

Inputs into the pricing model:

Fair value per option	**Issue date share price (cents)**	**Exercise price (cents)**	Expected volatility	Option life	Risk-free interest rate
0.023	6.4	7	100%	1	3.775%
0.019	6.4	9	100%	1	3.775%
0.015	6.4	11	100%	1	3.775%

During the year, an amount of $81,945 (2023: Nil) was recognised as a share-based payment expense.

Notes to the Consolidated Financial Statements

Share-based payments – Options issued

The table below summarises options granted to directors, employees and consultants under the Share Option Plan:

Grant Date	Expiry Date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired/ lapsed during the year Number	Balance at the end of the year Number	Vested and exercisable during the year Number
Unlisted options:								
8 Nov 2019	8 Nov 2023	$0.25	9,000,000	-	-	(9,000,000)	-	-
6 Jan 2020	8 Nov 2023	$0.25	1,000,000	-	-	(1,000,000)	-	-
17 Dec 2020	8 Nov 2023	$0.25	5,000,000	-	-	(5,000,000)	-	-
9 Feb 2024	9 Feb 2025	$0.07	-	1,000,000	-	-	1,000,000	1,000,000
9 Feb 2024	9 Feb 2025	$0.09	-	1,500,000	-	-	1,500,000	1,500,000
9 Feb 2024	9 Feb 2025	$0.11	-	2,000,000	-	-	2,000,000	2,000,000

The weighted average remaining contractual life of the options is 0.6 years (2023: 0.25 years).

Notes to the Consolidated Financial Statements

Share-based payments – Performance rights issued

Under the Company's Incentive Award Plan, Performance Rights (PR) are granted to employees following the release of the Company's full financial year results starting October 2022 till December 2024. The employees have an option to convert each right to a fully paid ordinary share in the company, up to 2 years following the allocation. At the time of allotment of the PRs the Company recognises an employee expense, with a corresponding increase in reserves. When the employee chooses to convert the rights to ordinary shares the company recognises an increase in equity with a corresponding decrease in reserves previously recognised. Over financial year ended 30 June 2024, the company has issued 4,116,974 (2023: 3,682,784) PRs to employees and Key Management Personnel.

In 2023, the amount includes 1,050,000 Performance Rights issued to its Non-Executive Directors as announced to the ASX in the Company's Notice of Meeting for its 2022 Annual General Meeting. 795,802 of these 1,050,000 PRs have already vested, for which the Company has recognised an employee expense, with a corresponding increase in reserve.

This table below summaries performance rights granted to directors, employees under Incentive Award Plan:

Performance rights issued to Non-Executive Directors

Vesting Conditions	Tranche 1 Vested	Tranche 2 Vested	Tranche 3 Unvested	Total
Share Price[1]	$0.3	$0.35	$0.45	
Sales (AUD)[2]	$1 million	$2 million	$5 million	
NED Name	Number of Rights	Number of Rights	Number of Rights	Total
Andrew Goodwin	300,000	50,000	100,000	450,000
Michael Quinert	50,000	50,000	100,000	200,000
Warwick Grigor	100,000	100,000	200,000	400,000
Total	**450,000**	**200,000**	**400,000**	**1,050,000**
Number of rights vested	**381,375**	**157,259**	**-**	**538,634**

Notes:

1. 25% of the Performance Rights will be measured against the 20-day VWAP Share price at 30 June of the applicable financial year (Tranche 2: FY23; Tranche 3: FY24). These rights were valued using a hybrid share option pricing model with the following inputs:

	Grant date	Spot price	Expiry date	Volatility	Risk free rate	Value per right
Tranche 2	17/10/22	$0.110	17/10/26	75%	3.35%	$0.021
Tranche 3	17/10/22	$0.110	17/10/27	75%	3.35%	$0.035

2. 40% of the Performance Rights will be measured against the sales revenue received during the applicable financial year (Tranche 2: FY23; Tranche 3: FY24) based on audited accounts. These rights have been valued at the share price on the grant date.

In addition, vesting of each Tranche is subject to:

- 10% of the Performance Rights will be subject to the achievement by a Director of their personal KPI for an applicable financial year as determined by the Board; and
- 25% of the Performance Rights will be subject to the Director remaining a director of

Notes to the Consolidated Financial Statements

the Company.

The Performance Rights have expiry dates as follows: Tranche 1: 3 years from grant; Tranche 2: 4 years from grant; Tranche 3: 5 years from grant. Management have determined the probability of the rights vesting to be 70%.

3. In order to maintain a conservative position with regards to cash expenditure until closer to a cash flow positive stage, the Company has also issued additional 257,168 Performance Rights in lieu of cash salary increase to the Non-Executive Directors.

Performance rights issued to Employees & KMPs

The following performance rights were granted to employees & KMP:

	Number of Performance Rights	Date of Grant	Share Price A$	Vesting Date
Employees	1,889,983	11/09/2023	0.068	11/09/2023
KMP *	2,226,991	11/09/2023	0.068	11/09/2023
	4,116,974			

*These KMP rights have been converted to shares during the period.

- Michael Bell – 1,638,704
- Aditya Asthana – 588,287

The table below summaries performance rights granted to employees and key management personnel under the Incentive Award Plan:

Grant Date	Expiry Date	Balance at start of the year	Granted during the year	Converted during the year	Expired/ lapsed during the year	Balance at the end of the year	Vested and exercisable during the year
		Number	Number	Number	Number	Number	Number
Unlisted performance rights:							
25 Nov 2021	23 Mar 2026	60,000	-	-	-	60,000	60,000
17 Oct 2022	17 Oct 2026	1,685,888	-	-	-	1,685,888	1,431,690
11 Sep 2023	11 Sep 2026	-	4,116,974	(3,531,821)	-	585,153	585,153

Vesting conditions for Performance Rights issued to employees (excluding Non-Executive Directors):

4. Share Price Target: $0.35
5. Total Revenue Target: $2 million
6. Continued employment with the company on date of issue of Performance Rights
7. Completion of personal KPIs
8. If a Share Price or a Total Revenue Vesting Condition is partially met, a proportionate percentage of Performance Rights in the applicable Tranche will

Notes to the Consolidated Financial Statements

vest. For example, if FY23 Sales Revenue was $1,000,000, 20% of the Performance Rights in Tranche 1 will vest (being 50% of 40%).

The weighting applied to each KPI for individual employees is dependent on their role and their impact on the KPIs.

17. Reserves and accumulated losses

Accounting Policy

The share-based payments reserve holds the directly attributable cost of services provided pursuant to the options issued to corporate advisors, directors, employees and past directors of the Group.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18. Statement of cash flow reconciliation

	2024 $	2023 $
(a) Reconciliation of net loss after tax to net cash flows from operations		
Net Loss	**(6,414,766)**	(5,421,710)
Adjusted for:		
Depreciation	**507,047**	473,588
Amortisation	**211,362**	27,249
Impairment of intangible asset	**-**	-
Write back/impairment of inventory	**-**	-
(Gain)/loss on sale of property, plant and equipment	**14,546**	-
Share based payments expensed	**385,743**	477,673
Non-cash finance cost	**1,403,039**	819,130
Shares issued to employees as payment for deferred salaries	**-**	-
Foreign exchange loss/(gains)	**3,388**	25,768
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	**283,043**	(178,751)
(Increase)/decrease in inventory	**416,636**	850,836
(Increase)/decrease in prepayments	**599,223**	(478,262)
Decrease in other assets	**-**	-
(Decrease)/increase in trade and other payables	**(224,557)**	2,178
Net cash (used in) operating activities	**(2,815,296)**	(3,402,301)

Notes to the Consolidated Financial Statements

(b) Non-cash investing and financing activities

	2024 $	2023 $
ROU Asset recognised	**(28,253)**	551,029
Performance Rights issued to employees	**66,433**	240,026
Non-cash investing and financing activities	**38,180**	791,055

19. Commitments

The Group has no commitments which are not recorded on the statement of financial position as at 30 June 2024 (2023: Nil).

Notes to the Consolidated Financial Statements

20. Results of the parent company

	2024 $	2023 $
Current Assets		
Cash and cash equivalents	**2,616,612**	2,559,762
Trade and other receivables	**58,650**	346,495
Inventory	**1,414,695**	1,759,014
Other current assets	**119,540**	171,158
Total current assets	**4,209,497**	4,836,429
Non-current assets		
Property, plant and equipment	**2,007,619**	2,476,171
Right of use asset	**412,263**	579,151
Inventory	**2,142,920**	2,215,238
Investment in subsidiaries	**214,379**	650,000
Investment	**227,027**	229,244
Total non-current assets	**5,004,208**	6,149,804
Total assets	**9,213,705**	10,986,233
Liabilities		
Current liabilities		
Trade and other payables	**3,421,947**	3,807,648
Employee liabilities	**162,975**	178,953
Lease Liabilities	**100,223**	90,539
Total current liabilities	**3,685,145**	4,077,140
Non-current liabilities		
Lease Liabilities	**322,575**	440,117
Total non-current liabilities	**322,575**	440,117
Total liabilities	**4,007,720**	4,517,257
Net Assets	**5,205,985**	6,468,974
Equity		
Issued capital	**111,406,041**	106,378,129
Share based payments reserve	**6,236,311**	6,171,889
Other reserves	**-**	-
Accumulated losses	**(112,436,367)**	(106,081,044)
Total equity	**5,205,985**	6,468,974
Results of the parent entity:		
Loss for the period	**(6,355,323)**	(5,630,655)
	(6,355,323)	(5,630,655)

Notes to the Consolidated Financial Statements

21. Events since the end of the financial year

On 30 August 2024, the group issued 5,000,000 shares at an issue price of $0.04 per share to Specialty Materials Investments, LLC (the Investor) as per Share Placement Agreement.

Other than the above, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

22. Related party transactions

Compensation for key management personnel

The key management personnel compensation included in employee benefits expense (note 4) and share-based payments (note 16), is as follows:

	2024 $	2023 $
Short term employee benefits	**775,955**	871,474
Post Employment benefits	**54,670**	-
Share based payments	**195,630**	312,074
	1,026,255	1,183,548

Transactions with other related parties

There were no loans to/from related parties in 2024 (2023: Nil)

Subsidiaries

The consolidated financial statements include the financial statements of First Graphene Limited and the subsidiaries listed in the following table:

	Principal activity in the year	Proportion of voting rights and shares held		Class of shares held	Place of Incorporation
		2024	2023		
First Graphene (UK) Ltd	Graphene sales and R&D	100%	100%	Ordinary	England & Wales
MRL Investments (Pvt) Ltd	Holding company	100%	100%	Ordinary	Sri Lanka
MRL Graphene (Pvt) Ltd	Graphene Mining and exploration	100%	100%	Ordinary	Sri Lanka
2D Fluidics Pty Ltd	Development and sale of VFD, TTF and other 2D devices and materials	66.67%	66.67%	Ordinary	Australia

Notes to the Consolidated Financial Statements

23. Auditors' remuneration

Services provided by the Group's auditor (in tenure as auditor) and associated firms

During the year, the Group (including its overseas subsidiaries) obtained the following services from BDO Audit Pty Ltd and related network firms as detailed below:

Auditors' remuneration	2024 $	2023 $
Remuneration of the auditor of the Group for:		
- Audit services – BDO Audit Pty Ltd	**80,249**	74,346
- Taxation services – BDO Corporate Tax (WA) Pty Ltd	**53,608**	56,873
	133,857	131,219

*The BDO entity performing the audit of the Group transitioned from BDO Audit (WA) Pty Ltd to BDO Audit Pty Ltd on 15th May 2024. The disclosures include amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respective entities.

24. Right of Use (ROU) - Asset

30 June 2024	ROU Asset (a)	ROU Accum. Dep (b)	Total ROU Asset (a) + (b)	ROU Liability (c)	Net ROU Assets (a) + (b) – (c)
Carrying amount at beginning of year	**1,130,199**	**(551,048)**	**579,151**	**530,656**	**48,495**
Remeasurement of lease liability	(28,253)	-	(28,253)	(28,253)	-
Depreciation	-	(138,635)	(138,635)	(79,605)	(59,030)
Carrying amount at end of year	**1,101,946**	**(689,683)**	**412,263**	**422,798**	**(10,535)**

The remeasurement of the liability for both the Right of use asset and liabilities relates to lease for the manufacturing plant at 1 Sepia close, Henderson.

Calculation for the lease liability and asset was done in accordance to AASB 16

Notes to the Consolidated Financial Statements

25. Correction of prior period classification of lease liability

In the 2023 Financial statements, the Company had incorrectly classified its lease liability entirely as a current liability. A split between current and non-current liability was required. This classification in the Company's Statement of Financial Position has now been made. There is no change to the Company's total assets or total liabilities.

Below is a summary of the changes made:

	2023 $ Reclassified	2023 $ Previously reported
Current liabilities		
Trade and other payables	**435,832**	435,832
Employee liabilities	**276,118**	276,118
Lease Liabilities	**90,539**	530,656
Financial Liabilities	**3,622,000**	3,622,000
Total current liabilities	**4,424,489**	4,864,606
Non-current liabilities		
Lease Liabilities	**440,117**	-
Total non-current liabilities	**440,117**	-
Total liabilities	**4,864,606**	4,864,606
Net Assets	**6,847,780**	6,847,780

26. Correction of prior period revenue and other operating income

In the 2023 Financial statements, the Company had incorrectly classified a portion of grant funding in Revenue, which should have been reflected in other operating income. This classification in the Company's Statement of Profit or Loss and Other Comprehensive Income. There is no change to the Company's results or total assets or total liabilities.

Below is a summary of the changes made:

	2023 $ Reclassified	2023 $ Previously reported
Revenue from contracts with customers	861,167	1,003,424
Cost of goods sold	(561,990)	(561,990)
Gross profit/(loss)	299,177	441,434
Other operating income	1,077,204	934,947
Research & development	(1,598,159)	(1,598,159)
Selling & marketing	(568,952)	(568,952)
Mineral lease maintenance	(126,237)	(126,237)
General & administrative	(3,264,232)	(3,264,232)
Loss from continuing operations before tax expense and finance	(4,181,199)	(4,181,199)

Consolidated Entity Disclosure Statement

At 30 June 2024

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or Foreign	Foreign Jurisdiction
First Graphene Ltd	Body corporate	Australia	Not applicable	Australia	Not applicable
First Graphene (UK) Ltd	Body corporate	England & Wales	100%	Foreign	England & Wales
MRL Investments (Pvt) Ltd	Body corporate	Sri Lanka	100%	Foreign	Sri Lanka
MRL Graphene (Pvt) Ltd	Body corporate	Sri Lanka	100%	Foreign	Sri Lanka
2D Fluidics Pty Ltd	Body corporate	Australia	66.67%	Australian	Not applicable

Directors' Declaration

The Directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity,

(d) the directors have been given the declarations required by s.295A of the *Corporation Act 2001*.

(e) in the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

(f) the remuneration disclosures set out in the Directors' Report on pages 10 to 17 (as the audited Remuneration Report) comply with section 300A of the Corporations Act 2001;

Signed in accordance with a resolution of the directors made pursuant to section 295 (5) of the Corporations Act 2001.

On behalf of the Directors

Michael Bell
Managing Director
1 October 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of First Graphene Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of First Graphene Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

BDO

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of inventory

Key audit matter	How the matter was addressed in our audit
The Group's inventory, as disclosed in Note 9 to the financial report, was a key audit matter as the inventory costing and net realisable value ("NRV") calculations require significant estimates and judgements. The determination of NRV of the inventory requires management's judgement in relation to estimating future selling prices, future processing costs and related selling costs.	Our audit procedures included, but were not limited to: • Assessing the NRV of inventory against the requirements of the Australian Accounting Standards, including comparing managements estimated future selling prices to historical sales prices, purchase orders from customers and sales subsequent to the reporting date; • Observing the year end stocktake process and undertaking our own test counts; and • Assessing the adequacy of the related disclosures in Note 9 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 17 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of First Graphene Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Jackson Wheeler

Director

Perth, 1 October 2024

Additional Securities Exchange Information

(note, this information does not form part of the audited financial statements)

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. This information is complete as at 29 September 2024.

a) Distribution of Shareholdings – Fully Paid Ordinary Shares:

Size of Holding	Number of Shareholders	Number of Share
1 – 1,000	175	30,004
1,001 – 5,000	1,230	4,194,842
5,001 – 10,000	978	7,726,153
10,001 – 100,000	2,207	78,085,223
100,001 and over	537	574,215,501
	5,127	**664,251,723**

Equity Security	Quoted	Unquoted
Fully Paid ordinary shares	664,251,723	0
Options	0	4,500,000

Additional Securities Exchange Information

b) Top 20 Security Holders – Fully Paid Ordinary Shares (FGR) at 29 September 2024

Position	Holder Name	Holding	%
1	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	198,547,801	29.89%
2	CITICORP NOMINEES PTY LIMITED	37,811,941	5.69%
3	BNP PARIBAS NOMS PTY LTD	27,180,617	4.09%
4	TWYNAM INVESTMENTS PTY LTD	21,659,589	3.26%
5	GREGORACH PTY LTD	15,685,946	2.36%
6	BUILDING ON THE ROCK LIMITED	14,685,000	2.21%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,843,763	2.08%
8	IPS Holdings	13,828,400	2.08%
9	DEBT MANAGEMENT ASIA CORPORATION	12,757,146	1.92%
10	WILLIAM TAYLOR NOMINEES PTY LTD	4,465,959	0.67%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	4,379,829	0.66%
12	GINGA PTY LTD	4,217,565	0.63%
13	MR RICHARD HOPETOUN BITCON	3,210,000	0.48%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,204,253	0.48%
15	MR MICHAEL BELL	2,880,808	0.43%
16	IPS NOMINEES LIMITED	2,759,611	0.42%
17	MR ADAM O'DONNELL FERRIS	2,650,000	0.40%
18	MR RYAN JEHAN ROCKWOOD	2,500,000	0.38%
19	MR MICHAEL ALAN ANTOSKA & MRS ELISA ANTOSKA	2,368,750	0.36%
20	DR PAUL FRANCIS MORTON	2,203,750	0.33%
	Total	**390,8410,728**	**58.84%**
	Total issued capital - selected security class(es)	**664,251,723**	**100.00%**

Shareholders with less than a marketable parcel

At 29 September 2024, there were 2,405 shareholders holding less than a marketable parcel of shares ($0.048 cents on this date) in the Company totalling 12,175,201 ordinary shares. This represented 1.88% of the issued capital.

Additional Securities Exchange Information

c) Licence Position as at 29 September 2024

All granted licences are in good standing and comply with the reporting requirements of the relevant licence.

Licence Number	FGR Interest - %	Status	General Location
IML/A/HO/9405/R/2	100	Granted	Central
IML/A/HO/8416/R4	100	Granted	Western
EL/321/R2	100	Renewal	Central
EL/262/R3	100	Renewal	Central
EL/325/R2	100	Renewal	Central
EL/326/R2	100	Renewal	Central

CORPORATE DIRECTORY

Directors

Warwick Grigor (Non-Executive Chairman)

Dr Andy Goodwin (Non-Executive Director)

Michael Quinert (Non-Executive Director)

Michael Bell (Managing Director & CEO)

Company Secretary

Elizabeth Lee

Principal Registered Office in Australia

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Stock Exchange Listings

The Company is listed on the **Australian Securities Exchange** under the trading code **FGR**.

The company is quoted on the **Frankfurt Stock Exchange** under the trading code **FSE:M11**.

The Company is quoted on the **OTCQ8** market in the USA under the trading code **FGPHF**.

Share Registry

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