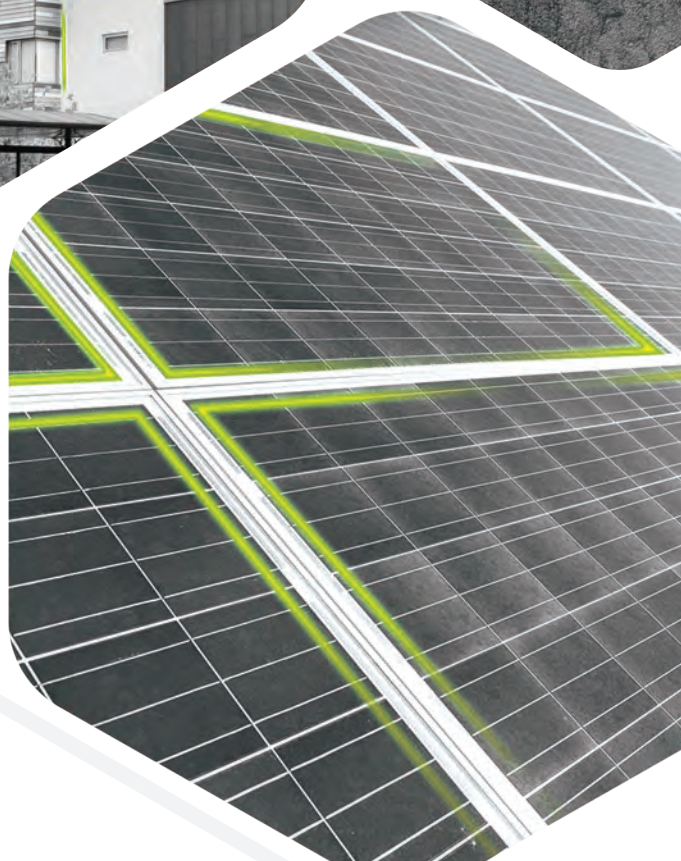


ANNUAL REPORT 2025



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

1 Sepia Close
Henderson WA 6166

+61 1300 6600 448

info@firstgraphene.net

www.firstgraphene.net

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 **OTCQB** market in the USA under the trading code **FGPHF**.

Share Registry

Automatic Registry Services

Level 5, 191 St Georges Terrace
Perth WA 6000

All security holder correspondence to:

PO Box 5193,
Sydney, NSW 2001

Contact:

1300 288 664 (within Australia)
+61 (0)2 9698 5414 (outside Australia)

hello@automatic.com.au

www.automatic.com.au

Auditor

PKF Perth

Dynons Plaza,
Level 8, 905 Hay Street,
Perth WA 6000

Solicitors - Australia

EMK Lawyers

Suite 1, 519 Stirling Hwy
Cottesloe WA 6011

PO Box 103
Cottesloe WA 6011

Bankers - Australia

Westpac Banking Corporation

Level 6, 109 St Georges Terrace
Perth WA 6000

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CHAIRMAN'S ADDRESS

Ladies and Gentlemen,

Your company First Graphene has now been operating for more than 10 years. That makes it special in the graphene sector. It has survived while many other graphene companies have withered on the vine. Not only has it survived, it has grown.

First Graphene has consistently innovated its production process in the quest for lower operating costs and improved product quality. When we started, there was no guide or manual as a reference point or to set the standard. In fact there were no standards, just aspirations to make a name for ourselves in the exciting graphene sector.

Exciting it was, but also very challenging. Building a business whilst also developing a new, highly innovative nanomaterial for use in industry has been a challenging endeavour. Yet we have succeeded where many others have failed. Even if they haven't failed technically, their share prices have suffered.

This year there seems to have been a revival of interest in the sector as investors around the world have started to re-engage. That doesn't mean that the sector is finally risk free, but the observation of a new breed of companies coming through means money is flowing back into it.

The usual mistakes will be made again by investors, as in any sector that experiences an influx of new entrants. But those that have survived the first generation of companies will be well-placed to build on their knowledge and experience with their feet firmly on the ground.

Those of you who know my background will understand that business in the mining sector is very cyclical. It is normal to have your ups and downs. Many junior companies have to reinvent themselves and be ready to ride the next wave. Not so with First Graphene. It is not an attention seeker constantly chasing the next exciting story. It is the next exciting story.

While we are still looking forward to our first year of profitability, and hoping it is this year, we are building all the time. When the holy grail is achieved, it will be a milestone along an extended growth curve. It won't be based on a cyclical high with the inevitable downturn.

History shows that once new technologies get a firm foothold, it is the beginning of a long-term growth trend as industry consistently embraces advantages it delivers.

So it will be with graphene. We are at the inflection point of adoption rather than the zenith of promotion. It is a real business and not just a thought bubble.

The recovery of our share price from early lows is most welcome. It suggests we are on the right track.

Warwick Grigor
Chairman



“ First Graphene has consistently innovated its production process in the quest for lower operating costs and improved product quality.”



Warwick Grigor
Chairman



CEO REPORT

Over the past financial year, First Graphene made significant strides converting our commercial pipeline into tangible revenue and market-leading opportunities.

Our PureGRAPH® product line continued to be sold and successfully deployed across a variety of high-value and high-demand material markets including polymers, coatings, elastomers, and cement and concrete.

Active commercial arrangements are now in place with more than 30 repeat customers, while another 25 are on the cusp of entering into commercial graphene supply deals.

Importantly, this is supported by a growing black book of more than 350 qualified sales and partnership leads that over time will further strengthen the Company's footprint as a leading global graphene supplier, and have a positive impact on our balance sheet.

Timing the inflection

First Graphene is unusually well positioned on the discovery to deployment material technology adoption. Putting it into perspective, fully synthetic plastic was invented in 1907 but adoption and growth did not start occurring until after WWII.

Carbon fibre was invented in 1958 and didn't experience commercial adoption until the mid-1980s, while silicon microchips invented in the late 1940s weren't available for general purpose use until 1971.

While graphene-based technology has been validated since the material's 2004 discovery, the pace of commercialisation fell short of expectations predicted by the Gartner Hype Curve, which forecast a peak technology uptake in 2018.

As a pioneer that invested early to bridge the gap between validation and commercialisation, First Graphene has been able to combat the "trough of disillusionment" by overcoming production, product application and regulatory hurdles. We are now



"Active commercial arrangements are now in place with more than 30 repeat customers, while another 25 are on the cusp of entering into commercial graphene supply deals."

commercially ready to scale up production of our certified materials, expand our product range and generate more revenue in existing and emerging markets.

As graphene enters an anticipated phase of mass adoption and rapid uptake driven by industrial demand, we are already experiencing early signs of greater commercial traction with pilot projects converting to sales, distributor networks growing and repeat customers and orders filling our pipeline.

Commercial conversion trending north

We secured a landmark agreement to incorporate PureGRAPH® into KRUSHERS® safety boots, used by workers in the Southeast Asian mining industry.

More than 2.5 tonnes of PureGRAPH®10 masterbatch will be supplied to manufacturer PT Alasmas Berkat Utama in the initial two years, with the graphene-enhanced boots available for purchase through a wide range of stockists.

This agreement secures a pipeline of commercial activity and provides opportunity to use PureGRAPH® to enhance durability of other boot product lines.

We also secured a two-year commercial agreement to develop graphene-enhanced perovskite solar cells in collaboration with manufacturer Halocell energy in Australia.

Incorporating PureGRAPH® into these solar cells has reduced manufacturing and materials costs by more than 80% as it replaces high-cost conductor materials like gold and silver. Graphene-coated modules have also proven to be five times more efficient than conventional silicon solar cells.

Solar is anticipated to become the largest renewable energy source by 2030, and as the focus on renewable energy continues to grow in Australia, these high-performing solar cells will become a cost-effective solution for the market.





Strengthening cement opportunities

In the cement and concrete sector, we continued working closely with the UK's largest cement producer, Breedon Group, on opportunities to implement PureGRAPH-CEM® into real-world projects.

The durability, emission reduction and permeability benefits of cement containing our dedicated product have been realised through previous multi-phase trials, including strength improvements up to 35% and a reduction in CO₂ emissions by 15%.

This year, we shipped more than three tonnes of PureGRAPH-CEM® to the UK to produce up to 1,120 tonnes of graphene-enhanced cement with Breedon,

destined for use in a major UK-based infrastructure projects.

These real life applications for our PureGRAPH-CEM® are identified in partnership with Morgan Sindall Infrastructure for use across a variety of projects including road and rail infrastructure, as well commercial developments.

This work with leading industry partners has been complemented by collaborations in the UK and South Africa, which have further validated the durability and impermeability benefits of PureGRAPH-CEM® in cement.

Driving financial growth

Our income for FY2025 represented a significant uplift on previous years, with product-based revenue predominantly derived from sales into the composites and polymers sectors. The overall number of new and existing graphene-based applications produced by the Company increased this financial year, primarily due to increasing demand by existing clients.

Recurring revenue continues to increase with reduced reliance on development revenue. Our pipeline of opportunity could see us generating significant revenue growth over the next 24 months, while operating and cash outflow continues to trend down to the lowest point in the Company's history.

The Company also continued to receive substantial R&D tax rebates, totalling more than A\$570,000 across the UK and Australia. These funds reinforce the dual financial and strategic value of our innovation programs.

There was an impact on revenue due to the delay of several client product launches, which will be reflected in the next financial year, however, early traction of distributor-driven revenue has had a positive effect throughout the year and will likely have a positive impact in FY2026. This has been led by Bisley and Company's marketing and sales presence in Australia, New Zealand and Asia.

Importantly, we have improved cashflow and profit management, with the latter returning an 11% increase compared to FY24. We are determined in our progression towards cashflow breakeven, supported by improved project resourcing, core services, production cost reductions and grant-funded programs.

We also completed a successful capital raising of \$2.4 million during the financial year, representing ongoing commitment by shareholders and investors in our growth trajectory as we further solidify our pipeline of commercial opportunities.

Soon after year's end, the Company completed its obligations under a funding agreement with Specialty Metals International Pty Ltd following the issuance of all shares under its terms. This reflects the Company's commitment to maintaining strong funding partnerships and a disciplined approach to capital management.

Upcoming opportunities for PureGRAPH® include bearing lubricants, anticorrosion coatings, PET packing and fire-retardant construction materials, reinforcing the versatility and application potential of our products.

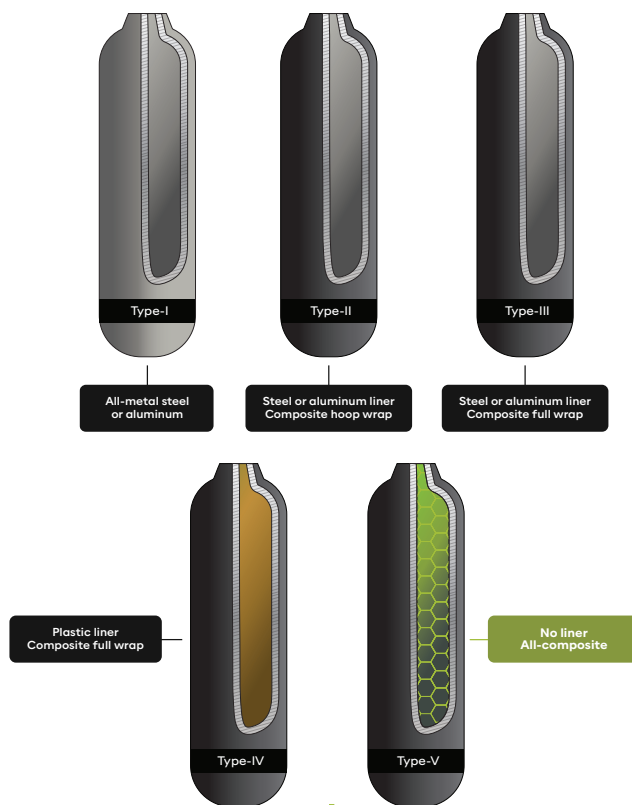
Our financial trajectory underscores the shift from research-led activity to commercial execution. With multiple large-scale orders secured, we are confident in maintaining this positive momentum into FY2026.

Accelerating global demand

Global demand for high-performing products continues to accelerate across many industries, driven by the twin imperatives of decarbonisation and cost-efficiency. In cement and concrete, pressure to reduce carbon footprints is intensifying, and our independently validated 15% CO₂ reduction positions PureGRAPH-CEM® as a market-ready solution.

In polymers and composites, the need for stronger, lighter and more durable materials is growing, particularly in sectors such as mining, automotive, and consumer goods. Our agreement with PT Alasmas Berkas Utama to deliver graphene-enhanced safety boots exemplifies how PureGRAPH® can extend product life and reduce waste in demanding, harsh work environments.

Energy storage and hydrogen remain transformative opportunities. With global hydrogen investment set to surge by 70% this year compared to 2024, First Graphene's patented processes and research ventures in this space, such as the A\$3.72 million HyPStore project, place the intersection of graphene technology and clean energy adoption at the forefront of future green economies.



Finally, the geographic expansion of our distribution network ensures we are well positioned to serve key markets. Entry into China and India provides access to two of the world's largest manufacturing economies, while agreements in Brazil, South Africa and Vietnam provide diversification and exposure to high-growth regional demand.

This year has been one of transition and momentum. We have continued to validate graphene's benefits at industrial scale, entered into landmark commercial agreements, secured a robust financial base and expanded our reach across global markets.



Michael Bell
Managing Director and CEO

This was underpinned by the ongoing dedication of our research, commercial and operational teams, who continue to push the boundaries of graphene as an advanced material technology.

I thank our Board, loyal and supportive shareholders and partners, who all continue to back the advanced materials technology journey as we accelerate product commercialisation and market adoption.

With a strong order pipeline and proven ability to commercialise innovation, I am confident in First Graphene's ability to deliver sustained growth and value in FY2026 and beyond.



" With a strong order pipeline and proven ability to commercialise innovation, I am confident in First Graphene's ability to deliver sustained growth and value in FY2026 and beyond."



R&D TECHNOLOGY REPORT

As we rapidly advance commercialisation of graphene, we remain dedicated to the groundwork required to push our products deeper into global markets.

Research and development remains pivotal for our growth strategy and across all R&D activities, our ability to convert laboratory success into scalable industrial solutions sets us apart in the advanced materials sector.

This was highlighted with the conversion of our multi-year R&D work with perovskite solar cell manufacturer Halocell into commercialisation, with graphene-enhanced cells becoming commercially available to the Australian market in September 2024.

To maintain this momentum of science-to-sales, we embarked on a series of new projects during the year, covering a variety of applications from cement and concrete to hydrogen storage to 3D printing.

This work will focus on validating our high-performing products in new and emerging markets – a primary focus for First Graphene as we venture further into this era of commercialisation.

Energy of the future

One such emerging market is the hydrogen sector, which is fast becoming known as a reliable green energy source of the future.

First Graphene is playing a major role in investigating the opportunities for graphene in this renewable energy field through the A\$3.72 million HyPStore project.

This consortium-led project aims to develop graphene-enhanced tanks for the safe storage and transport of liquid hydrogen.

HyPStore is a highly collaborative project involving nine members from across the United Kingdom and Australia, leveraging their specialised expertise to develop these fully composite storage tanks.

Testing of graphene-enhanced tanks is underway, with previous research already demonstrating the addition of graphene nanoplatelets to resins can reduce hydrogen permeability by up to 48 times.

The end goal is an impermeable Type V composite hydrogen tank, however, the project investigations will also assess additional application benefits graphene can impart, including enhanced fire retardancy, toughness and strength.

Strong case for cement

As decarbonisation remains a focus for many industries, we remain committed to showcasing the benefits of our PureGRAPH® products in enhancing durability and longevity of infrastructure.

This has been demonstrated previously in our trials with the UK's largest cement producer, Breedon Group, with exceptional strength, permeability and emission reduction benefits achieved.

Building on this work, we have conducted several studies with cement and concrete partners in the UK and South Africa to further validate durability and permeability

enhancements, with one study achieving a permeability reduction of more than 33% when incorporating PureGRAPH® into concrete structures.

These results strengthen the case for PureGRAPH® as a cost-effective and accessible solution for the global cement and concrete industry as it endeavours to tackle sustainability challenges.

High-performing graphene for high-performance markets

Our R&D also explored high-end applications in 3D printing for motorsports and aerospace, as part of an exciting project in collaboration with two leading universities in the UK.

The EFFICIENT Project is exploring the potential of graphene to reduce energy requirements and associated costs from 3D printing of metal components.

Graphene could enable copper-based materials to melt at a faster rate and lower temperature – fast-tracking the development of metal components and limiting the energy and expenditure required for the 3D printing process.

First Graphene will assist the universities by scaling the chemically modified graphene required for 3D printing, while also testing the potential of our PureGRAPH® for this process.

This work will open the door for First Graphene to promote benefits of our products to new high-end industries and market sectors seeking high-performing and cost-effective materials for next generation additive manufacturing.



Local experts, global reputation

Our graphene-based innovations continued to gain global recognition with multiple patents secured this financial year for new processes in the energy sector.

Our R&D team secured a patent for a new metal oxide deposited graphene production process, enabling cost-effective hydrogen production using graphene-enhanced electrocatalysts.

The new process uses cheaper metals such as cobalt, iron and nickel, and uses existing equipment rather than requiring retrofitting or new equipment investment, providing a cheaper solution for uses in energy storage and growing hydrogen industry.

This innovation complements our Kainos Technology, which can produce graphite, graphene and hydrogen using petroleum feedstock the hydrocarbon refinement – another innovation we secured patents for this year in Australia and Korea.

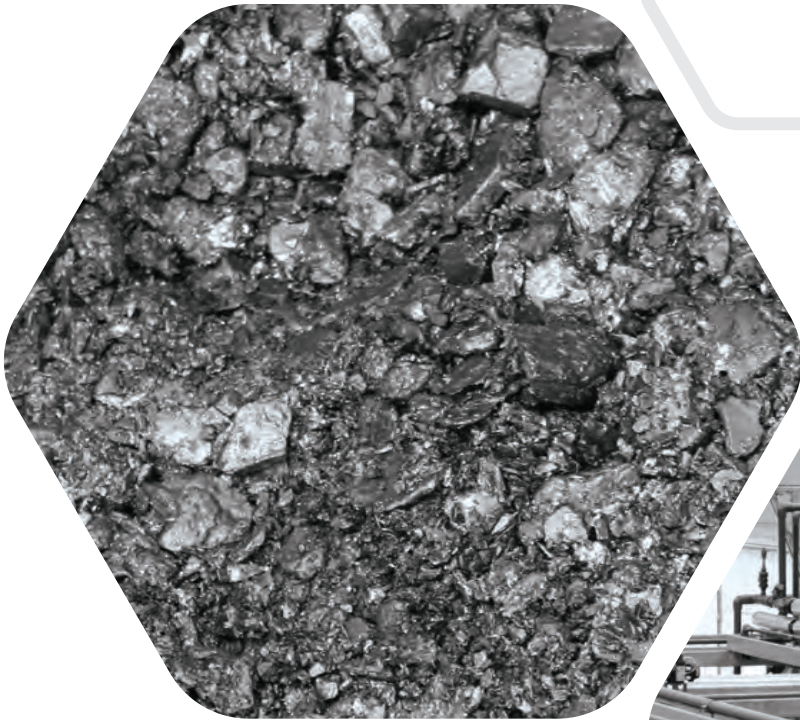
These patents are testament to the hard work and expertise demonstrated by our R&D team in their new dedicated research facilities in Manchester, and a true reflection of their ambitious commitment to driving innovation.

We are excited by the opportunities to test and trial our market-leading products in future-facing industries, and I look forward to what the year ahead presents in this innovative space.

Dr Ian Martin
R&D Manager



“ We are excited by the opportunities to test and trial our market-leading products in future-facing industries, and I look forward to what the year ahead presents in this innovative space.”



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

(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 2025.

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, options and performance rights in FGR	
West Wits Mining Limited Aguia Resources Limited Lindian Resources Limited (Appointed 15 December 2024)	Nagambie Resources Limited (Resigned 25 July 2024)	Ordinary shares	19,502,845
		Listed options	4,770,944
		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, options and performance rights in FGR	
None	None	Ordinary shares	2,348,308
		Listed options	250,000
		Performance rights	320,222

Michael Quinert

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 21 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, options and performance rights in FGR	
West Wits Mining Limited	First Au Limited	Ordinary shares	442,500
		Listed options	399,999
		Performance rights	359,537

Michael Bell

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, options and performance rights in FGR	
None	None	Ordinary shares	5,389,886
		Listed options	200,000
		Performance rights	4,000,000

Company Secretary information

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 \$5,491,720 (2024: loss of \$6,414,766).

No final dividend has been declared or recommended as at 30 June 2025 or as at the date of this report (2024: \$ nil).

No interim dividends have been paid (2024: nil).

Principal activities

During the financial year the principal continuing activities of the Group 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, and its research and development (R&D) facility is in Manchester.

Events since the end of the financial year

The Group issued the following to Specialty Materials Investments, LLC (the Investor) as per the Share Placement Agreement:

Date	No. of shares issued	Issue Price (\$)
29 July 2025	50,000,000	0.02
5 September 2025	34,866,667	0.03

On 5 September 2025, the financial liability due to the Investor was satisfied after the Investor elected to make an Initial Shareholding Election, i.e., to have the Group's obligation to issue part of the shares to be issued in the Settlement be satisfied by way of a reduction of the Initial Shareholding Number (2,800,000). See note 14 for further details.

A total of 53,500 shares were issued after listed options were exercised at \$0.085 per share.

On 16 September 2025, the following performance rights were converted to shares:

- 150,000 expiring on 17 October 2025
- 108,020 expiring on 25 November 2025
- 117,944 expiring on 17 October 2026
- 305,377 expiring on 25 November 2026
- 1,724,055 expiring on 30 September 2027
- 83,712 expiring on 17 October 2027

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.

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 23) 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.

Shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Type	Date of Expiry	Exercise Price	Number	Vested	Unvested
Unlisted	14 April 2027	\$0.0875	6,000,000	6,000,000	-
Listed	30 June 2027	\$0.085	80,345,182	80,345,182	-
TOTAL			86,345,182	86,345,182	-

At the date of this report, unissued ordinary shares of the Company subject to performance rights are:

Type	Date of Expiry	Exercise Price	Number	Vested	Unvested
Performance Rights	25 November 2025	\$Nil	453,616	453,616	-
Performance Rights	30 September 2026	\$Nil	60,000	60,000	-
Performance Rights	17 October 2026	\$Nil	39,315	39,315	-
Performance Rights	25 November 2026	\$Nil	504,041	504,041	-
Performance Rights	30 September 2027	\$Nil	1,770,456	1,770,456	-
Performance Rights	17 October 2027	\$Nil	83,712	83,712	-
Performance Rights	30 September 2028	\$Nil	3,490,000	-	3,490,000
Performance Rights	30 September 2029	\$Nil	3,490,000	-	3,490,000
TOTAL			9,891,140	2,911,140	6,980,000

The ordinary shares issued prior to or since year end as a result of exercise of options are:

Type	Date of Expiry	Exercise Price	Number	Date of Exercise
Listed	30 June 2027	\$0.085	7,000	16 July 2025
Listed	30 June 2027	\$0.085	46,500	8 August 2025
TOTAL			53,500	

The ordinary shares issued prior to or since year end as a result of exercise of performance rights are:

Type	Date of Grant	Exercise Price	Number	Date of Exercise
Performance Rights	2 September 2022	\$Nil	294,056	7 October 2024
Performance Rights	11 September 2023	\$Nil	181,217	7 October 2024
Performance Rights	2 September 2022	\$Nil	99,607	1 November 2024
Performance Rights	1 September 2024	\$Nil	162,899	21 November 2024
Performance Rights	1 September 2024	\$Nil	941,755	18 March 2025
Performance Rights	11 September 2023	\$Nil	92,300	17 April 2025
Performance Rights	11 September 2023	\$Nil	50,000	21 May 2025
Performance Rights	17 October 2022	\$Nil	351,656	16 September 2025
Performance Rights	11 September 2023	\$Nil	108,020	16 September 2025
Performance Rights	1 September 2024	\$Nil	305,377	16 September 2025
Performance Rights	8 November 2024	\$Nil	1,567,323	16 September 2025
TOTAL			4,869,014	

Directors' meetings

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

	Meetings Attended	Entitled to Attend
Warwick Grigor	5	5
Dr Andy Goodwin	5	5
Michael Quinert	5	5
Michael Bell	5	5

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

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, excluding the Chairman, receive a base fee which is currently set at \$35,000 per annum for Michael Quinert and GBP 20,000 per annum for Andy Goodwin. The Chairman receives a base salary of \$100,000 per annum plus statutory superannuation. 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 2025

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

	Director's fees	Salary	Post-Employment Entitlements	SUB-TOTAL	Performance rights (vested)	Performance rights (unvested)	SUB-TOTAL	TOTAL	Performance related
30 June 2025	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	%
Michael Bell	-	350,000	40,250	390,250	105,704	51,561	157,266	547,516	29
Warwick Grigor	-	101,667	11,692	113,359	5,956	5,156	11,112	124,470	9
Dr Andy Goodwin	-	45,735	-	45,735	2,978	2,578	5,556	51,219	11
Michael Quinert	35,000	-	-	35,000	2,978	2,578	5,556	40,556	14
Total	35,000	497,402	51,942	584,344	117,616	61,873	179,490	763,833	

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:

	Director's fees	Salary	Post-Employment Entitlements	SUB-TOTAL	Performance rights (vested)	Performance rights (unvested)	SUB-TOTAL	TOTAL	Performance related
30 June 2024	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$	%
Michael Bell	-	370,417	16,042	386,459	113,071	-	113,071	499,530	23
Warwick Grigor	30,000	90,000	13,200	133,200	23,618	-	23,618	156,818	15
Dr Andy Goodwin	38,649	-	5,186	43,835	7,834	-	7,834	51,669	15
Michael Quinert	34,992	-	-	34,992	10,515	-	10,515	45,507	23
Aditya Asthana ⁽ⁱ⁾	-	211,897	20,242	232,139	40,592	-	40,592	272,731	15
Total	103,641	672,314	54,670	830,625	195,630	-	195,630	1,026,255	

- i. Aditya Asthana left the company effective 11 March 2024.

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	2025	2024	2023	2022	2021
Sales revenue \$	468,397	492,003	861,167	723,323	341,869
Loss before tax \$	(5,491,720)	(6,414,766)	(5,421,710)	(5,033,108)	(6,284,757)
Basic loss per shares (cents)	(0.77)	(1.00)	(0.94)	(0.91)	(1.19)
Increase/(decrease) in share price %	(52.9)	(26.1)	(40.0)	(60.34)	133.1

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	91%	-	9%
Dr Andy Goodwin	89%	-	11%
Michael Quinert	86%	-	14%
Michael Bell	71%	-	29%

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:

Name	Base Salary	Duration of Service Agreement	Notice Period		Severance Payment Entitlement
			By Executive	By Company	
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 2025

On 18 March 2025, Michael Bell exercised 941,755 of his performance rights to shares which vested during FY25.

Performance rights issued as part of remuneration for the year ended 30 June 2025

The following performance rights were issued and granted to key management personnel as part of compensation during the year.

Directors	Balance 01.07.24	Granted	Lapsed	Vested	Unvested	Other ⁱⁱ	Balance 30.06.25	Grant Date	Share Price A\$
Warwick Grigor	400,000	-	(137,259)	-	-	-	262,341	17/10/2022	0.13
Dr Andy Goodwin	150,000	-	(68,829)	-	-	-	81,171	17/10/2022	0.13
Michael Quinert	200,000	-	(68,829)	-	-	-	131,171	17/10/2022	0.13
Michael Bell	-	941,755	-	941,755	-	(941,755)	-	01/09/2024	0.049
Warwick Grigor	-	600,000	(43,268)	156,732	400,000	-	556,732	8/11/2024	0.038
Dr Andy Goodwin	-	300,000	(21,634)	78,366	200,000	-	278,366	8/11/2024	0.038
Michael Quinert	-	300,000	(21,634)	78,366	200,000	-	278,366	8/11/2024	0.038
Michael Bell	-	6,000,000	(432,677)	1,567,323	4,000,000	-	5,567,323	8/11/2024	0.038

i. Performance Rights converted to shares by Directors (see page 13)

Old incentive award plan

Performance Rights (PRs) in three separate tranches (Tranches 1 to 3) were granted to employees following the release of the Company's full financial year results from the year ended 30 June 2022 to the year ended 30 June 2024. The employees had an option to convert each of these PRs to a fully paid ordinary share in the Company up to three years from the grant date. At the time of allotment of the PRs, the Company recognised a share-based payment expense, with a corresponding increase in reserves. When the employee chooses to convert their PRs to ordinary shares, the Company recognises an increase in equity with a corresponding decrease in reserves previously recognised.

Tranche 3 PRs issued to employees and KMPs

During the year, the company granted 941,755 Tranche 3 PRs as follows to Michael Bell with respect to the financial results from the year ended 30 June 2024.

Date of Grant	Share Price A\$	Vesting Date
01/09/2024	0.049	01/09/2024

The above PRs had a total valuation of \$46,146.

New incentive award plan

The company issued 7,200,000 PRs to its CEO and Non-Executive Directors (KMP) as announced to the ASX in the Company's Notice of Meeting for its 2024 Annual General Meeting, when the following terms of the PRs of the New Incentive Plan were approved and applicable to certain employees of the Group:

	Tranche 1	Tranche 2	Tranche 3
Vesting Conditions	Vested	Unvested	Unvested
Share Price ¹	\$0.07	\$0.11	\$0.17
Sales (AUD) ²	\$1.5 million	\$2.0 million	\$5.0 million
Personal KPI ³	To be achieved	To be achieved	To be achieved
Service Condition ⁴	Remain employed	Remain employed	Remain employed

Notes:

- 20-day VWAP Share price at 30 June of applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) exceeds the price shown. 25% weighting i.e. 25% of the Performance Rights in a Tranche will be measured against this vesting condition. This is valued using a hybrid share option pricing model.
- Sales revenue received during the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) is at least the amount shown, based on audited accounts. 40% weighting i.e. 40% of the Performance Rights in a Tranche will be measured against this vesting condition. These rights have been valued at the share price on the grant date.
- 10% of each Tranche is subject to the achievement by a Director of their personal KPI for an applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) as determined by the Board; and
- 25% of each Tranche is subject to the Director remaining a director of the Company at 30 June of the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27).

The Board will assess performance against the Vesting Conditions following the end of applicable financial year. If a Share Price or Sales revenue Vesting Condition is partially met, a proportionate percentage of the Performance Rights subject to that Vesting Condition will vest. For example, if FY25 Sales revenue is \$1.2 million, 32% of the Tranche 1 Performance Rights will vest (being 80% of 40%). Any Performance Rights that do not vest will lapse.

The PRs have expiry dates as follows: Tranche 1: 30 September 2027; Tranche 2: 30 September 2028; Tranche 3: 30 September 2029.

Details of the PRs issued to the KMP of the Group during the 2024 Annual General Meeting, and subsequently vested and lapsed during the current year, were as follows:

KMP Name	Tranche 1 PRs	Tranche 2 PRs	Tranche 3 PRs	Total
Michael Bell	2,000,000	2,000,000	2,000,000	6,000,000
Andrew Goodwin	100,000	100,000	100,000	300,000
Michael Quinert	100,000	100,000	100,000	300,000
Warwick Grigor	200,000	200,000	200,000	600,000
Total	2,400,000	2,400,000	2,400,000	7,200,000
Number of rights vested	1,880,787	-	-	1,880,787
Number of rights lapsed	519,213	-	-	519,213

The Tranche 1 PRs vested during the current year were valued at the 2024 Annual General Meeting of 8 November 2024 at a price of \$0.038 per share. The Tranche 1 PRs vested above had a total valuation of \$71,470.

The Tranche 2 and Tranche 3 PRs without market vesting conditions (Conditions 2 to 4), totalling 1,800,000 for each Tranche, were also valued at the 2024 Annual General Meeting of 8 November 2024 at a price of \$0.038 per share.

The Tranche 2 and Tranche 3 PRs with market vesting conditions (Condition 1), totalling 600,000 for each Tranche, were valued using a hybrid share option pricing model. The inputs to the valuation are outlined below:

Tranche	Grant Date	Spot price	Exercise Price	Expiry	Share price target	Volatility	Risk free rate	Value per right
2	8/11/24	\$0.038	\$Nil	30/9/28	\$0.11	70%	4.075%	\$0.0099
3	8/11/24	\$0.038	\$Nil	30/9/29	\$0.17	70%	4.080%	\$0.01

The Tranche 2 PRs vest up to 30 June 2026, and the Tranche 3 PRs vest up to 30 June 2027. For the current financial year, the total valuation of the Tranche 2 PRs is \$37,119 and the total valuation of the Tranche 3 PRs is \$24,755.

Hence, the total vested charge for KMPs was \$71,470 and the total unvested charge was \$61,874 for the current financial year.

Shareholdings held by key management personnel

Directors	Balance 01.07.24	Granted	Exercise of options	Acquired	Other	Balance 30.06.25
Warwick Grigor	19,083,772	-	-	-	-	19,083,772
Dr Andy Goodwin	2,308,993	-	-	-	-	2,308,993
Michael Quinert	392,500	-	-	-	-	392,500
Michael Bell	2,880,808	-	-	-	941,755 ⁽ⁱ⁾	3,822,563

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

Listed options

During the current year, the Company and Foster Stockbroking Pty Limited and Ord Minnett Limited (Brokers) entered into a mandate letter agreement under which the Company appointed Brokers as the joint lead managers for the Placement (note 16) and as brokers to place Shortfall under the Entitlement Offer.

The Entitlement Offer was made as a pro-rata non-renounceable entitlement issue of 1 option for every 4 shares held by Eligible Shareholders registered at 5 March 2025 at an issue price of \$0.005 per option.

Options held by key management personnel

Directors	Balance 01.07.24	Granted	Exercised	Lapsed	Balance 30.06.25	Total vested and exercisable 30.06.25
Warwick Grigor	-	4,770,944	-	-	4,770,944	4,770,944
Dr Andy Goodwin	-	250,000	-	-	250,000	250,000
Michael Quinert	-	399,999	-	-	399,999	399,999
Michael Bell	-	200,000	-	-	200,000	200,000

The costs for the above option holders being granted these options were as follows:

Directors	Cost of options granted (\$)
Warwick Grigor	23,855
Dr Andy Goodwin	1,250
Michael Quinert	2,000
Michael Bell	1,000

Transactions with other related parties

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

Voting rights

At the 2024 Annual General Meeting held on 8 November 2024 there were 15.72% 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 31.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

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 22nd of September 2025

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.



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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FIRST GRAPHENE LIMITED

In relation to our audit of the financial report of First Graphene Limited for the year ended 30 June 2025, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF PERTH

SHANE CROSS
 PARTNER

22 September 2025
 PERTH, WESTERN AUSTRALIA

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 \$	2024 (Restated) \$
Continuing operations			
Revenue from contracts with customers	3	468,397	492,003
Cost of goods sold	9	(367,275)	(391,259)
Gross profit		101,122	100,744
Other operating income	4(a)	805,282	997,811
Research & development	4(b)	(1,228,120)	(1,742,284)
Selling & marketing	4(c)	(458,517)	(329,984)
Mineral lease maintenance	4(d)	(134,897)	(131,900)
General & administrative	4(e)	(3,192,112)	(3,512,259)
Loss from continuing operations before tax expense and finance		(4,107,242)	(4,617,872)
Non-operating income/expense			
Share based payment expense	17	(310,532)	(385,743)
Finance income	5(a)	24,883	35,280
Finance expense	5(b)	(990,746)	(1,443,768)
Loss before tax expense from continuing operations		(5,383,637)	(6,412,103)
Income tax (expense)/benefit	6	-	-
Loss after tax from continuing operations		(5,383,637)	(6,412,103)
Loss before tax from discontinued operations	26	(108,083)	(2,664)
Income tax (expense)/benefit	6	-	-
Loss after tax		(5,491,720)	(6,414,766)
Other comprehensive income			
<i>Items which may be reclassified to profit or loss</i>			
Foreign currency translation difference on foreign operations		46,277	(10,889)
Total comprehensive loss for the year attributable to the owners of First Graphene Limited		(5,445,443)	(6,425,655)

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

For the year ended 30 June 2025

	Note	2025 \$	2024 (Restated) \$
Loss for the year attributable to:			
Owners of First Graphene Limited		(5,483,025)	(6,328,235)
Non-Controlling interests		(8,695)	(86,531)
		<u>(5,491,720)</u>	<u>(6,414,766)</u>
Total comprehensive loss for the year attributable to:			
Owners of First Graphene Limited		(5,436,748)	(6,339,124)
Non-Controlling interests		(8,695)	(86,531)
		<u>(5,445,443)</u>	<u>(6,425,655)</u>
Total comprehensive loss for the year attributable to:			
Continuing operations		-	-
Discontinued operations		(8,695)	(86,531)
Non-controlling interests		<u>(8,695)</u>	<u>(86,531)</u>
Total comprehensive loss for the year attributable to:			
Continuing operations		(5,328,665)	(6,336,460)
Discontinued operations		(108,083)	(2,664)
Owners of First Graphene Limited		<u>(5,436,748)</u>	<u>(6,339,124)</u>
Loss per share for the year from continuing operations attributable to the owners of First Graphene Limited:			
Basic (loss) per share (cents per share)	7	(0.77)	(1.00)
Diluted Loss per share (cents per share)	7	(0.77)	(1.00)
Loss per share for the year from discontinued operations attributable to the owners of First Graphene Limited:			
Basic (loss) per share (cents per share)	7	(0.02)	(0.00)
Diluted Loss per share (cents per share)	7	(0.02)	(0.00)
Loss per share for the year attributable to the owners of First Graphene Limited:			
Basic (loss) per share (cents per share)	7	(0.79)	(1.00)
Diluted Loss per share (cents per share)	7	(0.79)	(1.00)

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 2025

	Note	2025 \$	2024 (Restated) \$
Assets			
Current assets			
Cash and cash equivalents	8	2,612,941	3,160,135
Inventories	9	645,000	820,000
Trade and other receivables		115,838	63,453
Other current assets	10	236,998	126,841
Total current assets		3,610,777	4,170,429
Non-current assets			
Property, plant and equipment	11	1,586,833	2,010,421
Right of use assets	25	491,327	412,263
Inventories	9	2,356,249	2,737,615
Intangible assets		38,339	78,288
Other assets	10	-	227,027
Total non-current assets		4,472,748	5,465,614
Total assets		8,083,525	9,636,043
Liabilities			
Current liabilities			
Trade and other payables	12	246,089	296,908
Employee liabilities	13	271,537	190,484
Financial liabilities	14	2,556,000	3,783,039
Lease liabilities	25	178,615	100,223
Total current liabilities		3,252,241	4,370,654
Non-current liabilities			
Lease liabilities	25	338,105	322,575
Total non-current liabilities		338,105	322,575
Total liabilities		3,590,346	4,693,229
Net assets		4,493,179	4,942,814
Equity			
Issued capital	16	115,117,491	110,748,042
Reserves	18	6,852,854	6,235,401
Accumulated losses		(117,477,166)	(112,139,885)
Capital and reserves attributable to owners of First Graphene Limited		4,493,179	4,843,558
Non-controlling interest		-	99,256
Total equity		4,493,179	4,942,814

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Issued Capital \$	Share based payments reserve \$	Translation reserve \$	Other Reserve \$	Accumulated losses \$	Non-controlling interests \$	Total \$
As at 1 July 2024 (restated)	110,748,042	6,322,666	(10,299)	(76,966)	(112,139,885)	99,256	4,942,814
Loss for the year	-	-	-	-	(5,483,025)	(8,695)	(5,491,720)
Foreign currency translation	-	-	46,277	-	-	-	46,277
Total comprehensive loss for the year	-	-	46,277	-	(5,483,025)	(8,695)	(5,445,443)
Shares issued	4,577,000	-	-	-	-	-	4,577,000
Options issued	-	54,600	-	-	-	-	54,600
Disposal of subsidiary	-	-	-	76,966	-	(90,561)	(13,595)
Monies received for options issued (note 17)	-	401,995	-	-	-	-	401,995
Share issue costs	(334,730)	-	-	-	-	-	(334,730)
Performance rights issued	-	310,538	-	-	-	-	310,538
Options expired	-	(81,945)	-	-	81,945	-	-
Performance rights exercised	127,179	(127,179)	-	-	-	-	-
Performance rights expired	-	(63,799)	-	-	63,799	-	-
As at 30 June 2025	115,117,491	6,816,876	35,978	-	(117,477,166)	-	4,493,179

	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
Correction of prior period error (note 27)	(658,000)	-	-	-	-	-	(658,000)
As at 1 July 2023 (restated)	105,720,130	6,171,889	590	(76,966)	(105,811,650)	185,787	6,189,780
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)
Shares issued	4,812,916	-	-	-	-	-	4,812,916
Options issued	-	81,945	-	-	-	-	81,945
Disposal of subsidiary	-	-	-	-	-	-	-
Monies received for options issued (note 17)	-	-	-	-	-	-	-
Share issue costs	(19,971)	-	-	-	-	-	(19,971)
Performance rights issued	-	303,799	-	-	-	-	303,799
Options expired	-	-	-	-	-	-	-
Performance rights exercised	234,967	(234,967)	-	-	-	-	-
Performance rights expired	-	-	-	-	-	-	-
As at 30 June 2024 (restated)	110,748,042	6,322,666	(10,299)	(76,966)	(112,139,885)	99,256	4,942,814

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 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		401,036	1,144,215
Payments to suppliers and employees		(3,833,162)	(4,771,988)
Interest received		26,665	37,939
Interest paid		(27,134)	(40,729)
R&D and grant funding received		715,502	815,267
Net cash outflows from operating activities	20	<u>(2,717,093)</u>	<u>(2,815,296)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(64,932)	(52,484)
Payments to minority shareholders	26	(98,543)	-
Net cash outflows from investing activities		<u>(163,475)</u>	<u>(52,484)</u>
Cash flow from financing activities			
Proceeds from placement of shares	16	2,387,000	2,912,916
Proceeds from entitlement and shortfall offer options	17	401,995	-
Payment of share issue/capital raising costs		(280,130)	(19,971)
Finance lease payments		(137,452)	(79,605)
Net cash inflows from financing activities		<u>2,371,413</u>	<u>2,813,340</u>
 Net decrease in cash and cash equivalents		 (509,155)	 (54,440)
 Cash and cash equivalents at beginning of the year		 3,160,135	 3,225,954
Effect of exchange rate fluctuations on cash held		(38,039)	(11,379)
 Cash and cash equivalents at end of the year	8	 <u>2,612,941</u>	 <u>3,160,135</u>

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 22 September 2025.

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 2025, except for the adoption of new accounting standards and interpretations effective for annual periods beginning 1 July 2025. 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 2023-5 Amendments to Australian Accounting Standards – Lack of exchangeability, effective for annual reporting periods beginning on or after 1 January 2025;

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments, *effective for annual reporting periods beginning on or after 1 January 2026*;

AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11, *effective for annual reporting periods beginning on or after 1 January 2026*;

Notes to the Consolidated Financial Statements

AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity, *effective for annual reporting periods beginning on or after 1 January 2026*;

AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures, effective for annual reporting periods beginning on or after 1 January 2026;

AASB 18 (FP) Appendix D Amendments to Other Australian Accounting Standards [for for-profit entities], effective for annual reporting periods beginning on or after 1 January 2027;

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective for annual reporting periods beginning on or after 1 January 2028;

AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, effective for annual reporting periods beginning on or after 1 January 2028.

Going concern

For the year ended 30 June 2025 the entity recorded a loss of \$5,491,720 (2024: \$6,414,766) and had net cash outflows from operating activities of \$2,717,093 (2024: \$2,815,296).

The ability of the entity to continue as a going concern is dependent on securing additional funding through the exercising of existing options held by directors and obtaining the R & D tax rebates in Australia and United Kingdom 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 directors exercising existing options that they hold and receipt of the R & D tax rebates in Australia and the United Kingdom; and
- In the event of further funds not being obtained, 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.

Notes to the Consolidated Financial Statements

Basis of consolidation

The consolidated financial statements comprise the financial statements of First Graphene Limited and its subsidiaries as at 30 June 2025 (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:

- 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

Notes to the Consolidated Financial Statements

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.

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.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the Consolidated Financial Statements

Provision for impairment of 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 2025 relates to raw materials, 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.

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 14.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Share-based payment transactions

The Group 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 17 for further information.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Notes to the Consolidated Financial Statements

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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 \$
	2025	2024	2025	2025	2024
			(Restated)		(Restated)
Product Revenue (Point in time)	349,611	303,141	-	-	349,611
Service Revenue (Over time)	-	-	18,100	-	188,862
Total Revenue	349,611	303,141	18,100	-	492,003
Operating Profit / (Loss) from Continuing operations	(461,594)	(1,127,434)	(2,383,317)	(134,897)	(4,107,242)
Depreciation Expense	336,514	350,109	151,209	-	507,047
Amortisation Expense	107,416	121,760	-	-	211,362
Segment assets	3,268,950	3,664,265	3,009,925	8,451	9,636,043
Segment liabilities	-	(174,210)	(3,309,316)	(6,058)	(4,693,229)

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.

Geographical segments	2025		2024 (Restated)	
	Revenue	Total Non-Current Assets	Revenue	Total Non-Current Assets
Australia	468,397	4,197,452	492,003	5,384,524
United Kingdom	-	275,296	-	81,090
Sri Lanka	-	-	-	-
Total	468,397	4,472,748	492,003	5,465,614

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

Reconciliation of segment assets to the Statement of Financial Position

	2025	2024
	\$	\$
Total segments assets	13,915,445	15,253,786
Inter-segment elimination	(5,831,921)	(5,617,743)
Total assets per statement of financial position	8,083,524	9,636,043

Reconciliation of segment liabilities to the Statement of Financial Position

	2025	2024 (Restated)
	\$	\$
Total segments liabilities	24,387,025	24,505,361
Inter-segment elimination	(20,796,680)	(19,812,132)
Total liabilities per statement of financial position	3,590,435	4,693,229

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.

Notes to the Consolidated Financial Statements

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	2025 \$	2024 \$
Types of goods			
Sale of Goods		349,611	303,141
Sales of Services		118,786	188,862
Total revenue from contracts with customers		<u>468,397</u>	<u>492,003</u>

The 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 governments.

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.

Notes to the Consolidated Financial Statements

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.

Other revenue and expenses from continuing operations:

	Notes	2025 \$	2024 (Restated) \$
(a) Other income			
R&D tax incentive		580,123	815,267
Grant income		225,159	182,544
		<u>805,282</u>	<u>997,811</u>
(b) Research & development			
Employee expenses		644,857	655,460
Consultant and research programs		314,960	906,977
Depreciation		57,054	20,924
Amortisation		48,068	72,727
Other		163,181	86,196
		<u>1,228,120</u>	<u>1,742,284</u>
(c) Selling & marketing			
Employee expenses		223,504	159,873
Advertising & promotion		219,136	130,514
Depreciation		827	2,292
Other		15,050	37,305
		<u>458,517</u>	<u>329,984</u>
(d) Mining lease maintenance			
Employee expenses		58,804	43,733
Rent of premises		51,640	57,348
Other		24,453	30,819
		<u>134,897</u>	<u>131,900</u>
(e) General & administrative			
Employee expenses		1,351,535	1,547,898
Travel and subsistence		92,100	128,458
Software and equipment expenses		102,222	131,741
Insurances		140,570	209,907
Legal & other professional fees		302,290	291,612
Audi, tax & company secretarial fees		201,946	104,457
Share registry, listing and other corporate costs		143,179	168,919
Depreciation		486,897	483,831
Amortisation		107,416	138,635
Loss on disposal of property, plant and equipment		808	14,546
Other		263,349	292,565
		<u>3,192,112</u>	<u>3,512,259</u>

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.

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements

	Notes	2025 \$	2024 (Restated) \$
(a) Finance income			
Bank interest		24,883	35,280
		<u>24,883</u>	<u>35,280</u>
(b) Finance expense			
Finance Cost (i)		(963,080)	(1,403,039)
Interest – Right of use Asset		(25,170)	(20,584)
Other costs		(2,616)	(20,145)
		<u>(990,746)</u>	<u>(1,443,768)</u>

- (i) The 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 14). The expense recognises the value of the additional shares to be issued (\$1,040,000 (2024:\$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	2025 \$	2024 \$
20,000,000 shares issued @5c	9.5c	-	900,000
5,000,000 shares issued @4c	4.9c	45,000	-
5,000,000 shares issued @4c	4.7c	35,000	-
30,000,000 shares issued @2.5c	5.7c	960,000	-
Fair value adjustment	-	(77,038)	503,039
		<u>536,961</u>	<u>1,403,039</u>

6. Income tax

Accounting policy

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be

Notes to the Consolidated Financial Statements

recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

	2025 \$	2024 \$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Total income tax expense	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
- Loss before income tax from continuing activities	(5,383,637)	(6,414,766)
- Prima facie tax benefit on loss from ordinary continuing activities before income tax at 25% (2024: 25%) from continuing ordinary operations:	(1,345,907)	(1,603,692)
Add/(less) tax effect of:		
- Other non-allowable items	533,794	133,195
- Foreign tax rate differential	46,663	95,676
- Revenue losses and other deferred tax balances not recognised	866,525	1,578,638
- Other non-assessable items	(101,075)	(203,817)
Income tax expense/(benefit) reported in the consolidated statement of profit or loss and other comprehensive income from ordinary continuing operations	-	-
- Loss before income tax from discontinued activities	(108,083)	-
- Prima facie tax benefit on loss from discontinued activities before income tax at 25% (2024: 25%) from discontinued operations:	(27,021)	-
Add/(less) tax effect of:		
- Revenue losses and other deferred tax balances not recognised	6,521	-
- Other non-allowable items	20,500	-
Income tax expense/(benefit) reported in the consolidated statement of profit or loss and other comprehensive income from ordinary discontinued operations	-	-

Notes to the Consolidated Financial Statements

	2025 \$	2024 \$
(c) Recognised deferred tax at 25% (2024: 25%) (Note 1):		
Deferred tax liabilities		
Prepaid expenditure	-	(29,885)
Right of use asset	(78,324)	-
Financial liabilities	(19,259)	-
Deferred tax assets		
Carry forward revenue losses	97,583	29,885
Net deferred tax	-	-
(d) Unrecognised deferred tax asset		
Carry forward revenue losses	7,506,982	8,339,422
Carry forward capital losses	7,373,019	7,310,519
Capital raising costs	64,001	-
Provisions and accruals	70,723	-
Leases	82,908	2,634
Other	88,296	76,705
	15,185,929	15,729,280

Note 1 - The corporate tax rate for eligible companies is 25%, providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Note 2 - Comparative figures have been restated to be consistent with the current year format. The overall tax position has not changed.

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 2025	Number of shares 2024
Weighted average ordinary shares used in calculating basic earnings per share	697,691,863	630,062,694
Weighted average ordinary shares used in calculating diluted earnings per share	697,691,863	630,062,694

Notes to the Consolidated Financial Statements

	2025 \$	2024 \$
Loss attributable to the owners of First Graphene used from continuing operations in calculating basic and diluted loss per share	(5,374,942)	(6,325,571)
Loss attributable to non-controlling interests used from continuing operations in calculating basic and diluted loss per share	-	-
	<u>(5,374,942)</u>	<u>(6,325,571)</u>
Loss attributable to the owners of First Graphene used from discontinued operations in calculating basic and diluted loss per share	(108,083)	(2,664)
Loss attributable to non-controlling interests used from discontinued operations in calculating basic and diluted loss per share	(8,695)	(86,531)
	<u>(116,778)</u>	<u>(89,195)</u>
Loss attributable to the owners of First Graphene in calculating basic and diluted loss per share	(5,483,025)	(6,328,235)
Loss attributable to non-controlling interests in calculating basic and diluted loss per share	(8,695)	(86,531)
	<u>(5,491,720)</u>	<u>(6,414,766)</u>
<i>Loss per share for the year from continuing operations attributable to the owners of First Graphene Limited:</i>		
Basic and diluted loss per share (cents per share)	(0.77)	(1.00)
<i>Loss per share for the year from discontinued operations attributable to the owners of First Graphene Limited:</i>		
Basic and diluted loss per share (cents per share)	(0.02)	(0.00)
<i>Loss per share for the year attributable to the owners of First Graphene Limited:</i>		
Basic and diluted loss per share (cents per share)	(0.79)	(1.00)

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.

Notes to the Consolidated Financial Statements

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

	2025 \$	2024 \$
Cash at bank and in hand	2,612,941	3,160,135
	<u>2,612,941</u>	<u>3,160,135</u>

The Group's maximum exposure to financial risk is disclosed in note 15.

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.

Total Inventories	2025 \$	2024 \$
Raw materials	1,995,196	2,008,322
Work in progress	6,406	27,677
Finished goods	999,647	1,563,736
Inventories Gross	<u>3,001,249</u>	<u>3,599,735</u>
Less: Provision for impairment	-	(42,120)
Carrying amount	<u>3,001,249</u>	<u>3,557,615</u>
<i>Disclosed as:</i>		
Current	645,000	820,000
Non-current	2,356,249	2,737,615
Total inventory	<u>3,001,249</u>	<u>3,557,615</u>

The cost of inventories recognised as an expense during the year in respect of continuing operations was \$367,275 (2024: \$391,259).

10. Other assets

Accounting policy

Other assets are recognised at amortised cost, less any allowance for expected credit losses.

Notes to the Consolidated Financial Statements

	2025 \$	2024 \$
Current:		
Prepayments	134,865	126,841
Accrued income	54,000	-
VAT / GST receivable	31,706	-
Deposits paid	16,428	-
Total current	236,998	126,841
Non-current:		
Investment in unlisted company (see below)	-	227,027
Total non-current	-	227,027

The Group holds 11,429 ordinary shares of PlanarTech (Holdings) Ltd, an unlisted company incorporated in England and Wales, which was purchased for GBP 120,000. During the year, the Group decided to fully impair this investment which was revalued at AUD 242,595. This impairment was offset against a write off of deposits payable of AUD 197,190 to the same company and recognised in General and Administrative expenses.

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:

Plant and Equipment – 3 to 15 years

Office Equipment – 3 to 5 years

Motor Vehicles – 8 years

Leasehold Improvements – Over the terms of the lease

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.

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).

Notes to the Consolidated Financial Statements

"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 2025	Capital work in progress	Improvements	Plant and equipment	Office equipment	Motor vehicles	Total
Carrying amount at beginning of year	48,000	-	1,942,244	16,087	4,090	2,010,421
Additions	-	29,521	33,103	14,564	-	77,188
Disposal	-	-	(808)	-	-	(808)
Depreciation	-	(4,925)	(484,671)	(10,449)	(1,760)	(501,805)
Transfers	-	-	-	-	-	-
Movement due to foreign exchange	-	-	821	1,015	-	1,836
Carrying amount at end of year	48,000	24,596	1,490,689	21,217	2,330	1,586,833

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

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.

	2025 \$	2024 \$
Current		
Trade payables	176,905	128,442
Other payables	69,184	168,465
	<u>246,089</u>	<u>296,908</u>

Notes to the Consolidated Financial Statements

13. Employee liabilities

Accounting policy

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

	2025 \$	2024 \$
Current		
Annual leave payable	167,406	128,482
Long service leave payable	55,041	-
Taxes payable	49,289	62,003
	271,539	190,485

14. 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 Placement Shares issued: 2,800,000 shares, which was incorrectly recognised as Share Capital at its market value at the issue date (27 May 2021) and incorrectly offset the Financial Liability during the year ended 30 June 2021. A prior year adjustment was entered to correct this error. Further details of this adjustment are provided in note 27.
- 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 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.

Notes to the Consolidated Financial Statements

- 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 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 42 months after the date of the investment (the period ending 30 November 2025).
- 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.

	2025 \$	2024 (Restated) \$
Current		
Convertible liabilities	2,556,000	3,783,039
	<u>2,556,000</u>	<u>3,783,039</u>
Opening balance (restated)	3,783,039	4,280,000
20,000,000 Shares at an issue price of \$0.05 per Share on 06 Oct 2023	-	(1,000,000)
5,000,000 Shares at an issue price of \$0.04 per Share on 30 Aug 2024	(200,000)	-
5,000,000 Shares at an issue price of \$0.04 per Share on 30 Aug 2024	(200,000)	-
30,000,000 Shares at an issue price of \$0.025 per Share on 30 Aug 2024	(750,000)	-
Fair Value Adjustment	<u>(77,039)</u>	<u>503,039</u>
Closing balance (restated)	<u>2,556,000</u>	<u>3,783,039</u>

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.

Notes to the Consolidated Financial Statements

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

15. 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 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 \$2,612,941 (2024: \$3,160,135).

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).

Notes to the Consolidated Financial Statements

	Group	
	2025 \$	2024 \$
Cash and cash equivalents	2,612,941	3,160,135
	2,612,941	3,160,135

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 2025 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 2025 was determined to be nil.

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 2025						
Trade receivables	115,838	-	-	115,838	-	115,838
	115,838	-	-	115,838	-	115,838
Consolidated 30 June 2024						
Trade receivables	63,453	-	-	63,453	-	63,453
	63,453	-	-	63,453	-	63,453

Notes to the Consolidated Financial Statements

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.

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.

Notes to the Consolidated Financial Statements

	Weighted average effective interest rate %	Floating interest rate Within one year \$	Fixed interest		Non-interest bearing		
			Within one year \$	1-5 years \$	Within one year \$	1-5 years \$	Total \$
30 June 2025							
Cash and cash equivalents	0.87	2,432,784	73,569	-	106,588	-	2,612,941
Total Financial assets at 30 June 2025		2,432,784	73,589	-	106,588	-	2,612,941
Trade and other payables		-	-	-	246,089	-	246,089
Financial liabilities		-	-	-	2,556,000	-	2,556,000
Lease Liabilities		-	-	-	178,615	338,105	516,720
Total financial liabilities at 30 June 2025		-	-	-	2,980,704	338,105	3,318,809
30 June 2024 (Restated)							
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		-	-	-	3,783,039	-	3,783,039
Lease Liabilities		-	-	-	100,223	322,575	422,798
Total financial liabilities at 30 June 2024 (Restated)		-	-	-	4,180,170	322,575	4,502,745

Trade and other payables and financial liabilities 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 2025				
Trade and other payables (refer note 12)	246,089	-	-	-
Financial liabilities (refer note 14)	2,556,000	-	-	-
	2,802,089	-	-	-
30 June 2024 (Restated)				
Trade and other payables (refer note 12)	296,908	-	-	-
Financial liabilities (refer note 14)	3,783,039	-	-	-
	4,079,947	-	-	-

Notes to the Consolidated Financial Statements

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 versus 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 GBPE 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 2025 to foreign exchange risk, based on foreign exchange rates as at 30 June 2025 and sensitivity of +/-5%:

	30 June 2025 rate (cents)	Foreign exchange risk	
		2025 \$	2024 \$
Change in loss due to:			
Improvement in AUD by 5%		(41,063)	(76,697)
Decline in AUD by 5%		41,063	76,697
Change in equity due to:			
Improvement in AUD by 5%		(41,063)	(76,697)
Decline in AUD by 5%		41,063	76,697

(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

Notes to the Consolidated Financial Statements

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:

	2025 \$	Interest rate risk			
		-10bps Profit	Equity	+10bps Profit	Equity
Floating rate instruments					
Cash at bank	2,506,353	(2,506)	-	2,506	-
	2,506,353	(2,506)	-	2,506	-

	2024 \$	Interest rate risk			
		-10bps Profit	Equity	+10bps Profit	Equity
Floating rate instruments					
Cash at bank	2,615,014	(2,615)	-	2,615	-
	2,615,014	(2,615)	-	2,615	-

(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.

		30 June 2025		30 June 2024 (Restated)	
	Note	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
Assets carried at amortised cost					
Trade and other receivables		115,838	115,838	63,453	63,453
Total financial assets		115,838	115,838	63,453	63,453
Liabilities carried at amortised cost					
Trade and other payables	12	246,089	246,089	296,908	296,908
Financial liabilities	14	2,556,000	2,556,000	3,783,039	3,783,039
Total Financial Liabilities		2,802,089	2,802,089	4,079,947	4,079,947

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.

Notes to the Consolidated Financial Statements

- 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 - 2025					
Convertible liabilities	14	2,556,000	-	2,556,000	-
Total financial liabilities		2,556,000	-	2,556,000	-

There were no transfers between Level 1, Level 2 and Level 3 during 2025.

	Note	Fair value measurement using:			
		Total	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Financial liabilities measured at fair value – 2024 (Restated)					
Convertible liabilities	14	3,783,039	-	3,783,039	-
Total financial liabilities		3,783,039	-	3,783,039	-

16. 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.

Notes to the Consolidated Financial Statements

(a) Ordinary shares	2025	2024 (restated)	2025	2024
	\$	\$	Number	Number
Issued and fully paid	115,117,491	110,748,042	748,813,557	659,251,723
<i>Movements in shares on issue</i>				
At the beginning of the year	110,748,042	105,728,130	659,251,723	590,205,277
Exercise of performance rights entitlement issue ⁽ⁱ⁾	127,179	234,967	1,821,834	3,531,821
Shares issued during placement	2,190,000	1,900,000	40,000,000	20,000,000
Share issue costs	2,387,000	2,912,916	47,740,000	45,514,625
	(334,730)	(19,971)	-	-
At the end of the year	115,117,491	110,748,042	748,813,557	659,251,723

(i) Repayment of borrowings as per the share placement agreement – Refer Note 14.

(b) Share options

Unlisted share options

	2025 Number	2024 Number
At the beginning of the year	4,500,000	15,000,000
Options issued	86,398,682	4,500,000
Options expired	(4,500,000)	(15,000,000)
At the end of the year	86,398,682	4,500,000

(c) Performance rights

Unlisted performance rights

	2025 Number	2024 Number
At the beginning of the year	2,331,041	1,745,888
Performance rights issued	13,067,955	4,116,974
Performance rights exercised	(1,821,384)	(3,531,821)
Performance rights expired / lapsed	(1,196,914)	-
At the end of the year	12,380,248	2,331,041

Refer to note 17 for further details on performance rights issued.

17. Share-based payments

Accounting policy

The value of options and performance rights 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 and performance rights (the vesting period), ending on the date on which the relevant employees become fully entitled to the option (the vesting date).

Notes to the Consolidated Financial Statements

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 or performance right;
- The current best estimate of the number of options or performance rights 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 or performance right 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:

	2025 \$	2024 \$
Options issued to marketing consultants	-	81,945
Performance rights issued to employees	131,042	128,519
Performance rights issued to KMPs	179,490	175,279
Total	310,532	385,743

Share options

The Company granted share options to directors, consultants, brokers and institutional investors. The options are exercisable at set prices and the exercisable terms varied to suit each grant of options.

	2025		2024	
	Number of Options	Weighted average exercise price (cents)	Number of Options	Weighted average exercise price (cents)
<i>Outstanding 1 July</i>	4,500,000	9.4	15,000,000	25.0
Issued	86,398,682	8.5	4,500,000	9.4
Exercised	-	-	-	-
Traded / Sold	-	-	-	-
Lapsed	(4,500,000)	9.4	(15,000,000)	25.0
<i>Outstanding 30 June</i>	86,398,682	8.5	4,500,000	9.4

The weighted average remaining contractual life of the options is 2.0 years (2024: 0.6 years).

Notes to the Consolidated Financial Statements

Grant Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired/lapsed during the year	Balance at the end of the year	Vested and un-exercisable during the year
			Number	Number	Number	Number	Number	Number
Unlisted options:								
9 Feb 2024	9 Feb 2025	\$0.07	1,000,000	-	-	(1,000,000)	-	-
9 Feb 2024	9 Feb 2025	\$0.09	1,500,000	-	-	(1,500,000)	-	-
9 Feb 2024	9 Feb 2025	\$0.11	2,000,000	-	-	(2,000,000)	-	-
14 Apr 2025	14 Apr 2027	\$0.0875	-	6,000,000	-	-	6,000,000	6,000,000
Listed options:								
16 Apr 2025	30 Jun 2027	\$0.085	-	75,648,682	-	-	75,648,682	75,648,682
26 May 2025	30 Jun 2027	\$0.085	-	4,750,000	-	-	4,750,000	4,750,000

Unlisted options

During the current year, the expired options were granted to marketing consultants during the prior year.

During the current year, the Company and Foster Stockbroking Pty Limited and Ord Minnett Limited (Brokers) entered into a mandate letter agreement under which the Company appointed Brokers as the joint lead managers for the Placement (note 16) and as brokers to place Shortfall under the Entitlement Offer. As part of the Entitlement Offer, the Brokers received fees equal to 6% (plus GST) of the capital raised under the Placement. These fees totalled \$143,220 (excluding GST) and were recognised in share issue costs. The Brokers were also granted options (Broker Options).

The Broker Options granted during the year were 6,000,000 with an exercise price of \$0.0875 and valued using the Black Scholes model. The other valuation inputs are outlined below:

	Grant date	Spot price	Expiry date	Volatility	Risk free rate	Value per option
Broker Options	14/4/25	\$0.039	14/04/27	80%	3.748%	\$0.0091

The Broker Options vested immediately during the year had a total valuation of \$54,600 and recognised in share issue costs.

Listed options

The Entitlement Offer was made as a pro-rata non-renounceable entitlement issue of 1 option for every 4 shares held by Eligible Shareholders registered at 5 March 2025 at an issue price of \$0.005 per option. Fractional entitlements will be rounded up to the nearest whole number. The Entitlement Offer Options will expire on 30 June 2027 and have an exercise price of 8.5 cents per option. The Entitlement Offer closed on 7 April 2025, and 42,687,450 Entitlement Offer Options were granted on 16 April 2025. Proceeds totalling \$213,438 were received with respect to these options.

Notes to the Consolidated Financial Statements

Any Entitlement not taken up pursuant to the Entitlement Offer formed the Shortfall Offer. The Shortfall Offer was a separate offer and remained open up to 26 May 2025. The issue price for each option to be granted under the Shortfall Offer shall be \$0.005, being the price at which options have been offered under the Entitlement Offer. Options granted under the Shortfall Offer were granted on the same terms as the Entitlement Offer Options (including the issue price). 32,961,232 Shortfall Offer Options were initially granted on 16 April 2025, at the same date when the Entitlement Offer Options were granted. Proceeds totalling \$164,806 were received with respect to these options. When the Shortfall Offer closed on 26 May 2025, 4,750,000 Shortfall Offer Options were granted. Proceeds totalling \$23,750 were received with respect to these options.

Hence, the total proceeds with respect to the above options were \$401,995.

Performance rights

Old incentive award plan

Performance Rights (PRs) in three separate tranches (Tranches 1 to 3) were granted to employees following the release of the Company's full financial year results from the year ended 30 June 2022 to the year ended 30 June 2024. The employees had an option to convert each of these PRs to a fully paid ordinary share in the Company up to three years from the grant date. At the time of allotment of the PRs, the Company recognised a share-based payment expense, with a corresponding increase in reserves. When the employee chooses to convert their PRs to ordinary shares, the Company recognises an increase in equity with a corresponding decrease in reserves previously recognised.

Tranche 3 PRs issued to employees and KMPs

During the year, the company granted 1,914,072 Tranche 3 PRs as follows to employees and Key Management Personnel with respect to the financial results from the year ended 30 June 2024.

	Number of performance rights	Date of grant	Share price A\$	Vesting date
Employees	972,317	01/09/2024	0.049	01/09/2024
KMP	941,755	01/09/2024	0.049	01/09/2024
	1,914,072			

The above PRs had a total valuation of \$93,790, of which \$46,146 related to KMP and \$47,644 related to non-KMP. 167,424 performance rights were issued to the NEDs in error on 1 September 2024 and subsequently cancelled on the same date.

Notes to the Consolidated Financial Statements

New incentive award plan

The company issued 7,200,000 PRs to its CEO and Non-Executive Directors (KMP) as announced to the ASX in the Company's Notice of Meeting for its 2024 Annual General Meeting, when the following terms of the PRs of the New Incentive Plan were approved and applicable to certain employees of the Group:

Vesting conditions	Tranche 1 Vested	Tranche 2 Unvested	Tranche 3 Unvested	Total
Share Price ¹	\$0.07	\$0.11	\$0.17	
Sales (AUD) ²	\$1.5 million	\$2.0 million	\$5.0 million	
Personal KPI ³	To be achieved	To be achieved	To be achieved	
Service Condition ⁴	Remain employed	Remain employed	Remain employed	

Notes:

- 20-day VWAP Share price at 30 June of applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) exceeds the price shown. 25% weighting i.e. 25% of the Performance Rights in a Tranche will be measured against this vesting condition. This is valued using a hybrid share option pricing model.
- Sales revenue received during the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) is at least the amount shown, based on audited accounts. 40% weighting i.e. 40% of the Performance Rights in a Tranche will be measured against this vesting condition. These rights have been valued at the share price on the grant date.
- 10% of each Tranche is subject to the achievement by a Director of their personal KPI for an applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) as determined by the Board; and
- 25% of each Tranche is subject to the Director remaining a director of the Company at 30 June of the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27).

The Board will assess performance against the Vesting Conditions following the end of applicable financial year. If a Share Price or Sales revenue Vesting Condition is partially met, a proportionate percentage of the Performance Rights subject to that Vesting Condition will vest. For example, if FY25 Sales revenue is \$1.2 million, 32% of the Tranche 1 Performance Rights will vest (being 80% of 40%). Any Performance Rights that do not vest will lapse.

The PRs have expiry dates as follows: Tranche 1: 3 years from grant; Tranche 2: 4 years from grant; Tranche 3: 5 years from grant.

Details of the PRs issued to the KMP of the Group during the 2024 Annual General Meeting, and subsequently vested and lapsed during the current year, were as follows:

KMP name	Tranche 1 PRs	Tranche 2 PRs	Tranche 3 PRs	Total
Michael Bell	2,000,000	2,000,000	2,000,000	6,000,000
Andrew Goodwin	100,000	100,000	100,000	300,000
Michael Quinert	100,000	100,000	100,000	300,000
Warwick Grigor	200,000	200,000	200,000	600,000
Total	2,400,000	2,400,000	2,400,000	7,200,000
Number of rights vested	1,880,787	-	-	1,880,787
Number of rights lapsed	519,213	-	-	519,213

Notes to the Consolidated Financial Statements

The Tranche 1 PRs vested during the current year were valued at the 2024 Annual General Meeting of 8 November 2024 at a price of \$0.038 per share. The Tranche 1 PRs vested above had a total valuation of \$71,470.

The Tranche 2 and Tranche 3 PRs without market vesting conditions (Conditions 2 to 4), totalling 1,800,000 for each Tranche, were also valued at the 2024 Annual General Meeting of 8 November 2024 at a price of \$0.038 per share.

The Tranche 2 and Tranche 3 PRs with market vesting conditions (Condition 1), totalling 600,000 for each Tranche, were valued using a hybrid share option pricing model. The inputs to the valuation are outlined below:

Tranche	Grant date	Spot price	Exercise price	Expiry	Share price target	Volatility	Risk free rate	Value per right
2	8/11/24	\$0.038	\$Nil	30/9/28	\$0.11	70%	4.075%	\$0.0099
3	8/11/24	\$0.038	\$Nil	30/9/29	\$0.17	70%	4.080%	\$0.01

The Tranche 2 PRs vest up to 30 June 2026, and the Tranche 3 PRs vest up to 30 June 2027. For the current financial year, the total valuation of the Tranche 2 PRs is \$37,119 and the total valuation of the Tranche 3 PRs is \$24,755.

Hence, the total vested charge for KMPs was \$71,470 and the total unvested charge was \$61,874 for the current financial year.

Details of the PRs granted to other employees of the group on 9 April 2025 were as follows:

Tranche	No. of PRs	No. of PRs vested	No. of PRs lapsed
1	1,090,000	929,841	160,159
2	1,090,000	-	-
3	1,090,000	-	-

The Tranche 1 PRs vested above during the current year were valued at a price of \$0.042 per share, giving a valuation of \$39,053.

In addition to the above, the Commercial Managers of the Group were entitled PRs equal to 5% of their total sales revenue generated divided by the 20-day VWAP up to 30 June 2025. These totalled 683,833 PRs and were valued at the 30 June 2025 share price of \$0.024, giving a valuation of \$16,413.

Number of Performance Rights = (5% x SR) / Share Price

The Tranche 2 and Tranche 3 PRs without market vesting conditions (Conditions 2 to 4), totalling 915,000 for each Tranche, were also valued at a price of \$0.042 per share.

The Tranche 2 and Tranche 3 PRs with market vesting conditions (Condition 1), totalling 175,000 for each Tranche, were valued using a Parisian barrier option model. The inputs to the valuation are outlined below:

Tranche	Grant date	Spot price	Exercise price	Expiry	Share price target	Implied Parisian barrier	Volatility	Risk free rate	Value per right
2	9/4/25	\$0.04	\$Nil	30/9/28	\$0.11	\$0.14	75%	3.25%	\$0.0099
3	9/4/25	\$0.04	\$Nil	30/9/29	\$0.17	\$0.21	75%	3.55%	\$0.0125

The Tranche 2 PRs vest up to 30 June 2026, and the Tranche 3 PRs vest up to 30 June 2027. For the current financial year, the total valuation of the Tranche 2 PRs is \$18,940 and the total valuation of the Tranche 3 PRs is \$12,722.

Hence, the total vested charge for other employees was \$55,467 and the total unvested charge was \$31,712 for the current financial year.

Notes to the Consolidated Financial Statements

The table below summarises performance rights granted to employees and key management personnel:

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:							
21 Sep 2021	30 Sep 2026	60,000	-	-	-	60,000	60,000
02 Sep 2022	25 Nov 2024	635,888	-	(393,633)	(242,225)	-	-
17 Oct 2022	17 Oct 2025	150,000	-	-	-	150,000	150,000
17 Oct 2022	17 Oct 2026	200,000	-	-	(42,741)	157,259	157,259
17 Oct 2022	17 Oct 2027	400,000	-	-	(232,576)	167,424	167,424
11 Sep 2023	25 Nov 2025	885,153	-	(323,517)	-	561,636	561,636
01 Sep 2024	25 Nov 2026	-	1,914,072	(1,004,664)	-	809,418	809,418
8 Nov 2024	30 Sep 2027	-	2,400,000	-	(519,219)	1,880,787	1,880,787
8 Nov 2024	30 Sep 2028	-	2,400,000	-	-	2,400,000	-
8 Nov 2024	30 Sep 2029	-	2,400,000	-	-	2,400,000	-
9 Apr 2025	30 Sep 2027	-	1,090,000	-	(160,159)	929,841	929,841
9 Apr 2025	30 Sep 2028	-	1,090,000	-	-	1,090,000	-
9 Apr 2025	30 Sep 2029	-	1,090,000	-	-	1,090,000	-
30 Jun 2025	30 Sep 2027	-	683,883	-	-	683,883	683,883

18. 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.

19. Commitments and contingencies

The Group has no commitments which are not recorded on the statement of financial position as at 30 June 2025 (2024: Nil).

In respect of the Group's mining site under care and maintenance in Sri Lanka, damages may be payable for the year ended 30 June 2017. As these damages are in the process of being assessed by the Sri Lankan courts, the magnitude of this liability cannot be determined at the date of this report.

Notes to the Consolidated Financial Statements

20. Statement of cash flow reconciliation

	2025 \$	2024 \$
(a) Reconciliation of net loss after tax to net cash flows from operations		
Net Loss	(5,491,720)	(6,414,766)
Adjusted for:		
Depreciation	544,778	507,047
Amortisation	155,483	211,362
Net impairment of unlisted investment	45,399	-
Loss on disposal of subsidiary (note 26)	81,999	-
Loss on sale of property, plant and equipment	808	14,546
Share based payments expensed	310,532	385,743
Non-cash finance cost	962,962	1,403,039
Foreign exchange loss	50,022	3,388
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	(52,274)	283,043
Decrease in inventory	556,367	416,636
(Increase)/decrease in prepayments	(3,737)	599,223
Increase in other assets	(46,721)	-
Increase/(decrease) in trade and other payables	169,009	(224,557)
Net cash (used in) operating activities	(2,717,093)	(2,815,296)

(b) Non-cash investing and financing activities

	2025 \$	2024 \$
ROU Asset recognised or remeasured (note 25)	229,453	(28,253)
Shares issued under Incentive Award Plan	183,360	68,832
Non-cash investing and financing activities	412,813	40,579

21. Auditors' remuneration

On 3 June 2025, the Group (including its overseas subsidiaries) changed auditors from BDO Audit Pty Ltd and related network firms to PKF Perth. The Group obtained their services as detailed below:

Auditors' remuneration	2025 \$	2024 \$
Remuneration of the auditor of the Group for:		
- Audit services – BDO Audit Pty Ltd	81,564	80,249
- Audit services – PKF Perth	40,550	-
- Taxation services – BDO Services Pty Ltd	58,935	53,608
	181,049	133,857

Notes to the Consolidated Financial Statements

22. Events since the end of the financial year

The Group issued the following to Specialty Materials Investments, LLC (the Investor) as per the Share Placement Agreement:

Date	No. of shares issued	Issue price (\$)
29 July 2025	50,000,000	0.02
5 September 2025	34,866,667	0.03

On 5 September 2025, the financial liability due to the Investor was satisfied after the Investor elected to make an Initial Shareholding Election, i.e., to have the Group's obligation to issue part of the shares to be issued in the Settlement be satisfied by way of a reduction of the Initial Shareholding Number (2,800,000). See note 14 for further details.

A total of 53,500 shares were issued after listed options were exercised at \$0.085 per share.

On 16 September 2025, the following performance rights were converted to shares:

- 150,000 expiring on 17 October 2025
- 108,020 expiring on 25 November 2025
- 117,944 expiring on 17 October 2026
- 305,377 expiring on 25 November 2026
- 1,724,055 expiring on 30 September 2027
- 83,712 expiring on 17 October 2027

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.

23. 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 17), is as follows:

	2025 \$	2024 \$
Short term employee benefits	532,402	775,955
Post employment benefits	51,942	54,670
Share based payments	179,490	195,630
	763,833	1,026,255

Transactions with other related parties

There were no loans to/from related parties in 2025 (2024: Nil)

Notes to the Consolidated Financial Statements

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
		2025	2024		
First Graphene (UK) Ltd	Research and development	100%	100%	Ordinary	England & Wales
MRL Investments (Pvt) Ltd	Holding company	100%	100%	Ordinary	Sri Lanka
MRL Graphite (Pvt) Ltd	Administrative services for graphite mine	100%	100%	Ordinary	Sri Lanka
2D Fluidics Pty Ltd *	Dormant	-	66.67%	Ordinary	Australia

* 2D Fluidics Pty Ltd was in the process of being voluntary deregistered at the balance sheet date, and was subsequently deregistered on 9 July 2025

Notes to the Consolidated Financial Statements

24. Results of the parent company

	2025 \$	2024 (Restated) \$
Current assets		
Cash and cash equivalents	2,580,663	2,616,612
Trade and other receivables	114,276	58,650
Inventory	645,000	820,000
Other current assets	123,035	119,540
Total current assets	3,462,973	3,614,802
Non-current assets		
Property, plant and equipment	1,527,908	2,007,619
Right of use asset	313,295	412,263
Inventory	2,356,249	2,737,615
Investment in subsidiaries	-	214,379
Investment	-	227,027
Total non-current assets	4,197,452	5,598,903
Total assets	7,660,425	9,213,705
Liabilities		
Current liabilities		
Trade and other payables	2,719,367	4,082,651
Employee liabilities	244,715	162,975
Lease liabilities	114,902	100,223
Total current liabilities	3,078,984	4,345,849
Non-current liabilities		
Lease liabilities	216,728	322,575
Total non-current liabilities	216,728	322,575
Total liabilities	3,295,712	4,668,424
Net assets	4,364,713	4,545,281
Equity		
Issued capital	115,117,491	110,748,042
Share based payments reserve	6,816,875	6,322,665
Other reserves	97	97
Accumulated losses	(117,569,750)	(112,525,522)
Total equity	4,364,713	4,545,281
Results of the parent entity:		
Loss for the period	(5,189,966)	(6,444,381)
	(5,189,966)	(6,444,381)

Notes to the Consolidated Financial Statements

25. Right of Use (ROU) assets and lease liabilities

Accounting policy

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	ROU Asset (a)	ROU Accum. Dep (b)	Total ROU Asset (a) + (b)	Lease Liability (c)	Net ROU Assets (a) + (b) – (c)
Carrying amount at beginning of year	1,101,946	(689,683)	412,263	422,798	(10,535)
Remeasurement of lease liability	8,448	-	8,448	8,448	-
Addition	221,005	-	221,005	221,005	-
Depreciation	-	(150,389)	(150,389)	-	(150,389)
Lease payments	-	-	-	(160,701)	160,701
Interest charge	-	-	-	25,170	(25,170)
Carrying amount at end of year	1,331,400	(840,072)	491,327	516,720	(25,393)

Notes to the Consolidated Financial Statements

The remeasurement of the liability for both the ROU asset and liability relates to the lease for the manufacturing plant at 1 Sepia Close, Henderson.

The addition relates to the office and warehouse lease for First Graphene (UK) Ltd, which was entered into for a period of three years from December 2024.

26. Discontinued operations

Accounting policy

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Voluntary deregistration of 2D Fluidics

In May 2025, 2D Fluidics Pty Ltd (a 66.67% subsidiary of the Group) was applied to be voluntarily deregistered and no longer a subsidiary of First Graphene Limited, after its technology was determined to be commercially unfeasible.

Minority shareholders of 2D Fluidics Pty Ltd were paid a total of \$98,547, representing their 33.33% right to the final net assets of the business, and First Graphene received the remaining share of \$196,947. The loss on disposal of this subsidiary was \$81,999. 2D Fluidics Pty Ltd was formally deregistered post year-end on 9 July 2025.

Financial performance information

	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
Gross profit/(loss)	-	-
General and administrative	(27,865)	(5,323)
Operating loss before tax expense and finance	(27,865)	(5,323)
Non-operating income/expense		
Loss on disposal of subsidiary	(81,999)	-
Finance income	1,781	2,660
Loss before tax expense	(108,083)	(2,664)
Income tax (expense)/benefit	-	-
Loss after tax	(108,083)	(2,664)

Financial position information

	2025 \$	2024 \$
Current assets		
Cash and cash equivalents	-	321,568
Total current assets	-	321,568
Total assets	-	321,568
Total liabilities	-	-
Net Assets	-	321,568

Notes to the Consolidated Financial Statements

Cash flow information

	2025 \$	2024 \$
Net cash from operating activities	(26,081)	(2,664)
Finance income	(98,543)	-
Net decrease in cash and cash equivalents from discontinued operations	(124,624)	(2,664)

27. Correction of prior period error

During the year ended 30 June 2025, an overall review of the Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) and respective treatments was carried out. As part of this exercise, it was found that the historic treatment of the Initial Placement Shares issued was incorrectly applied, which resulted in adjustments to the previously reported financial liability and share capital. As the matter identified related to periods preceding 1 July 2023, the impact was recognised as an adjustment to the opening balances as at 1 July 2023 in accordance with the requirements of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2025 is as follows:

	30 June 2024			Opening balance at 1 July 2023		
	Previously stated \$	Adjustments \$	Restated \$	Previously stated \$	Adjustments \$	Restated \$
Consolidated Statement of financial position						
Financial liabilities	(3,125,039)	(658,000)	(3,783,039)	(3,622,000)	(658,000)	(4,280,000)
Net assets	5,600,814	(658,000)	4,942,814	6,847,780	(658,000)	6,189,780
Issued capital	111,406,042	(658,000)	110,748,042	106,378,130	(658,000)	105,720,130

Consolidated Entity Disclosure Statement

At 30 June 2025

First Graphene Limited have not formed an income tax consolidated group under the tax consolidation regime. As such, each entity continues to account for its own current and deferred tax liabilities and assets in accordance with the relevant tax legislation.

Key assumptions and judgements:

Determination of tax residency

Section 295(3A) Corporations Act requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997 (Cth). The determination of tax residency involves judgement as the termination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

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

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 23 to 30 (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
22 September 2025



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FIRST GRAPHENE LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of First Graphene Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2025, 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 statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of First Graphene Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of 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.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity recorded a loss of \$5,491,720 (2024: \$6,414,766) and had net cash outflows from operating activities of \$2,717,093 (2024: \$2,815,296) for the year ended 30 June 2025. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as going concern.

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Key Audit Matters

Key audit matters are matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters was 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Valuation of inventory

Why significant

As at 30 June 2025, the carrying value of inventory was \$3,001,429 (2024: \$ 3,557,615), as disclosed in Note 9.

The consolidated entity's accounting policy in respect of inventory is outlined in Note 9.

This was considered a key audit matter:-

- as the inventory costing and net realisable value ("NRV") calculations require's judgement in relation to estimating future selling prices, future processing costs and related selling costs; and
- due to the significant value of the balance

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Assessing the NRV of inventory against the requirements of the Australian Accounting Standard 102 *Inventories*, including comparing managements estimated future selling prices to historical sales prices, and sales subsequent to the reporting date
- Reviewing the client's workings for the production costs (including variable and fixed costs) for finished goods and the reasonableness of the key inputs used.
- Observing the year end stocktake process and undertaking our own test counts.
- Assessing the adequacy of the related disclosures in Note 9 to the financial report.

2. Valuation of Share-Based Payments

Why significant

As at 30 June 2025 the value of Share Based Payments Reserve being \$6,816,876 (2024: \$6,322,666) as disclosed in Note 17. During the year, share-based payments totalling \$365,132, have been recognised within the profit and loss as an expense totalling \$310,532 and capitalised share issue costs relating to options issued to brokers totalling \$54,600.

The consolidated entity's accounting judgement and estimates in respect of share-based payments is outlined in Note 17.

Significant judgement is required in relation to:

- The valuation method used in the model; and
- The assumptions and inputs used within the model.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewing the consolidated entity's valuations of the equity instruments issued, including:
 - assessing the experience, independence and qualifications of the valuation expert used.
 - assessing the appropriateness of the valuation method used; and
 - assessing the reasonableness of the assumptions and inputs used within the valuation model.
- Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share-based payments had been recognised.
- Assessed the allocation and recognition to ensure these are reasonable; and
- Assessed the appropriateness of the related disclosures in Note 17 to the financial report.



3. Valuation of Convertible Liabilities

Why significant

As at 30 June 2025 the value of the Converting Liabilities relating to the Share Placement Agreement entered into 27th May 2021 was \$2,556,000 as disclosed in note 14.

In accordance with the terms of the agreement the investor has the option to convert the outstanding liability into shares at the calculated placement price. The investor made a number of conversions during the year resulting in the recognition of \$1,040,000 as a finance cost, as well as, fair value movement of (\$77,038), within the profit and loss totalling \$962,962.

The conversion features within the agreement are based on the current volume weighted market price, and including a fixed discount percentage, meaning the liability has an embedded derivative.

Accounting for embedded derivatives is complex and requires the use of valuation methodologies that rely upon observable and unobservable inputs and assumptions. This creates estimation uncertainty for the amounts recognised in the financial statements.

For these reasons, we consider the valuation of convertible liabilities to be a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewed the subscription agreement and other documents related to the convertible notes to obtain an understanding of the underlying terms and conditions.
- Reviewing and challenging management's position paper in relation to their assessment of the recognition of the compound financial instrument as a financial liability and/or equity in accordance with the relevant suite of Financial Instrument Accounting Standards of AASB 9 and AASB 132.
- Reviewing and challenging the valuation methodology utilised, and the key assumptions adopted for appropriateness and reasonableness.
 - Testing of repayments and conversion of convertible notes in accordance with terms of the agreement
 - Reviewing the accounting treatment of recognition and de-recognition of derivative liability.
 - Assessing the appropriateness of the related disclosures in Note 14.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

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 Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of:-

- a) the financial report (other than the consolidated entity disclosure statement) 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 (other than the consolidated entity disclosure statement) 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 consolidated entity's ability 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 consolidated entity or to cease operations, or have 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of First Graphene Limited for the year ended 30 June 2025, 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.

PKF PERTH

SHANE CROSS

PARTNER

22 September 2025

PERTH, WESTERN AUSTRALIA

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 15 September 2025.

a) **Distribution of Shareholdings – Fully Paid Ordinary Shares:**

Size of holding	Number of shareholders	Number of shares
1 – 1,000	176	27,578
1,001 – 5,000	1,123	3,811,019
5,001 – 10,000	868	6,851,565
10,001 – 100,000	2,153	78,251,972
100,001 and over	542	744,790,590
	4,862	833,733,724

Equity security	Quoted	Unquoted
Fully paid ordinary shares	833,733,724	0
Listed options	80,345,182	0
Unlisted options	0	6,000,000

Additional Securities Exchange Information

b) Top 20 security holders – fully paid ordinary shares (FGR) at 15 September 2025

Position	Holder Name	Holding	%
1	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	258,114,621	30.96%
2	BERGEN GLOBAL OPPORTUNITY FUND LP	79,927,945	9.59%
3	CITICORP NOMINEES PTY LIMITED	53,488,112	6.42%
4	BNP PARIBAS NOMS PTY LTD	30,927,194	3.71%
5	GREGORACH PTY LTD	15,685,946	1.88%
6	TWYNAM INVESTMENTS PTY LTD	15,562,308	1.87%
7	BUILDING ON THE ROCK LIMITED	14,685,000	1.76%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,132,107	1.70%
9	IPS NOMINEES LTD	13,828,400	1.66%
10	DEBT MANAGEMENT ASIA CORPORATION	12,857,146	1.54%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,964,422	0.96%
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	6,803,468	0.82%
13	US REGISTER CONTROL ACCOUNT	6,662,544	0.80%
14	MR MICHAEL BELL	3,822,563	0.46%
15	MR RICHARD HOPETOUN BITCON	3,210,000	0.39%
16	MR ADAM O'DONNELL FERRIS	3,000,000	0.36%
17	SPICEME CAPITAL PTY LTD	3,000,000	0.36%
18	MR RYAN JEHAN ROCKWOOD	2,500,000	0.30%
19	MR MICHAEL ALAN ANTOSKA & MRS ELISA ANTOSKA	2,368,750	0.28%
20	GINGA PTY LTD	2,217,565	0.27%
	Total	550,758,091	66.06%
	Total issued capital - selected security class(es)	833,733,724	100.00%

Shareholders with less than a marketable parcel

At 15 September 2025, there were 1,584 shareholders holding less than a marketable parcel of shares (\$0.073 cents on this date) in the Company totalling 5,523,393 ordinary shares. This represented 0.66% of the issued capital.

Additional Securities Exchange Information

c) Licence position as at 15 September 2025

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

2025 CORPORATE GOVERNANCE STATEMENT

Introduction

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ending 30 June 2025, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (Recommendations).

The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

Principle 1: Lay Solid Foundations for Management and Oversight

- 1.1** A listed entity should have and disclose a board charter setting out:
- a. the respective roles and responsibilities of its board and management; and
 - b. those matters expressly reserved to the board and those delegated to management.



The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management.

The Board Charter is available on the Company's website. www.firstgraphene.net/investors/corporate-governance

- 1.2** A listed entity should:
- a. undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
 - b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.



The Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance.

The Company requires the Board to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person or putting forward to security holders a candidate for election, as a Director.

The qualifications, experience and special responsibilities of the Board members are set out in the Directors Report and the Notice of Meeting for the Annual General Meeting.

1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.



On appointment of a Director, the Company issues a letter of appointment setting out the terms and conditions of their appointment to the Board. Senior executives have executed services contracts with the Company.

1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.



The Corporate Governance Manual outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable to the Board, through the Chair, on all governance matters.

The Company Secretary is to report to the Board on matters they are aware of which fall within the Materiality Threshold as set out in the Company's Board Charter.

1.5 A listed entity should:

- c. have and disclose a diversity policy;
- d. through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- e. disclose in relation to each reporting period:
 1. the measurable objectives set for that period to achieve gender diversity;
 2. the entity's progress towards achieving those objectives; and
 3. either:
 - A. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
 - B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

If the entity was in the

S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.



The Company has a Diversity Policy, which is disclosed on the Company website. The Board acknowledges the absence of female participation on the Board of Directors. However, the Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Company has not set or disclosed measurable objectives for achieving gender diversity. Due to the size of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The proportion of women employees in the whole organisation, women in senior executive positions and women on the Board are set out in the following table:

	Proportion of women
Whole organisation	4 out of 18 (22%)
Senior Executive positions	1 out of 5 (20%)
Board	0 out of 4 (0%)

Senior Executive refers to the Board and Company Secretary.

1.6 A listed entity should:

- a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- b. disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.



- a. The Board is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Process for Performance Evaluation, which is available on the Company's website.
- b. The Process for Performance Evaluation requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company has completed performance evaluations in respect of the Board, its committees and individual Directors for the past financial year in accordance with the above process.

1.7 A listed entity should:

- a. have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- b. disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.



- a. The Board is responsible for evaluating the performance and remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive director. The applicable processes for these evaluations can be found in the Company's Process for Performance Evaluation, which is available on the Company's website.
- b. The Company has completed performance evaluations in respect of the senior executives (if any) for the past financial year in accordance with the applicable processes.



Principle 2: Structure the Board to be Effective and Add Value

2.1 The board of a listed entity should:

- a. have a nomination committee which:
 1. has at least three members, a majority of whom are independent directors; and
 2. is chaired by an independent director, and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.



The Company has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. When the Board convenes as the Nomination Committee it carries out those functions which are normally delegated to a Nomination Committee. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination- related discussions occurred from time to time during the year as required.

2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.



The Company supports the appointment of Directors who bring a wide range of business and professional skills and experience. While the Company does not have or disclose a formal skills matrix it does consider directors attributes prior to any appointment. The qualifications, skills and expertise relevant to the position of Director held by each Director in office at the date of the annual report and their attendance at Board and Committee meetings is included in the Directors' Report.

2.3 A listed entity should disclose:

- a. the names of the directors considered by the board to be independent directors;
- b. if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- c. the length of service of each director.



The Board considers Directors to be independent where they are free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

The Board has adopted a definition of independence based on that set out in Principle 2.3 of the ASX Corporate Governance Council Principles and Recommendations. The Board will review the independence of each Director in light of interests disclosed to the Board from time to time.

In accordance with the definition of independence above, and the materiality thresholds set, none of the Directors are considered to be independent as they have all received performance-based remuneration (including options or performance rights) from, or participated in an employee incentive scheme of, the entity.

In addition: Mr Michael Bell is not considered to be an independent director due to his role as Managing Director.

Dr Andrew Goodwin is not considered to be an independent director due to his previous role as Chief Technology Officer and his current role as a Non-Executive Director & Senior Scientific Advisor.

The length of service of each director is set out in the Directors' Report in the Company's 2025 Annual Report.

2.4 A majority of the board of a listed entity should be independent directors.

None of the Board's directors are considered independent (see 2.3 above).

2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Chairman of the Board, Mr Warwick Grigor is not an independent director (see 2.3 above). Mr Michael Bell is the Managing Director of the Company.

2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.



The Board's induction program provides incoming directors with information that will enable them to carry out their duties in the best interests of the Company. This includes supporting ongoing education of Directors and periodically reviewing whether there is a need for existing directors to undertake professional development for the benefit of the Company.

Each director of the Company has the right to seek independent professional advice at the expense of the Company, however prior approval of the Chairman is required which will not be

Principle 3: Instil a Culture of Acting Lawfully, Ethically and Responsibly

3.1 A listed entity should articulate and disclose its values.



The Company has articulated and disclosed its values on the Company's website.

3.2 A listed entity should:

- a. have and disclose a code of conduct for its directors, senior executives and employees; and
- b. ensure that the board or a committee of the board is informed of any material breaches of that code.



The Company has adopted a Code of Conduct to be adhered to by the Board, management and employees.

The Code of Conduct is available on the Company's website.

The Board is informed of any material breach of the Code of Conduct.

3.3 A listed entity should disclose:

A listed entity should:

- a. have and disclose a whistleblower policy; and
- b. ensure that the board or a committee of the board is informed of any material incidents reported under that policy.



The Company has adopted a Whistleblower Protection Policy to be adhered to by all personnel (all persons (whether authorised or unauthorised) acting on behalf of the Company at all levels, including officers, directors, temporary staff, contractors, consultants and employees of the Company, as the context requires).

The Whistleblower Protection Policy is available on the Company's website.

The Board is informed of any material breach of the Whistleblower Protection Policy.

3.4 A listed entity should:

- a. have and disclose an anti- bribery and corruption policy; and
- b. ensure that the board or a committee of the board is informed of any material breaches of that policy.



The Company has adopted an Anti- Bribery Policy to be adhered to by all persons working for the Company or on its behalf at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed term or temporary), consultants, contractors or any other person associated with the Company, wherever located.

The Anti-Bribery Policy is available on the Company's website.

The Board is informed of any material breach of the Anti-Bribery Policy.

Principle 4: Safeguard the Integrity of Corporate Reports

4.1 The board of a listed entity should:

- a. have an audit committee which:
 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 2. is chaired by an independent director, who is not the chair of the board, and disclose:
 3. the charter of the committee;
 4. the relevant qualifications and experience of the members of the committee; and
 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.



The Company does not currently have a separate Audit Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of the Audit Committee. When the Board convenes as the Audit Committee, it carries out those functions which are delegated to it in the Company's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the director with conflicting interests is not party to the relevant discussions. The full Board carries out the role of the Audit Committee. The full Board did not officially convene as an Audit Committee during the Reporting Period, however Audit-related discussions occurred from time to time during the year as required.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

The Company's Audit Committee Charter and the Company's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Company's website.

The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions about the conduct of the audit and preparation of the Auditor's Report.

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| <p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> |  | <p>The CEO and the CFO make a statement to the Board prior to approval of the annual, half-yearly and quarterly accounts that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> |
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| <p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> |  | <p>Under the Company's Continuous Disclosure Policy and Shareholder Communications Policy, the Board has appointed specific Executives as 'disclosure officers' to ensure that Company announcements (including the annual directors' report) are accurate, balanced and understandable and provide investors with appropriate information to make informed investment decisions. The disclosure officers coordinate the form of disclosure and verify the accuracy of the information contained in announcements. Where necessary and possible, the disclosure officers consult on announcements with the Chairman of the Board and Directors available at that time.</p> |

Principle 5: Make Timely and Balanced Disclosure

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| <p>5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p> |  | <p>The Company has adopted a Policy on Continuous Disclosure which is available on the Company's website.</p> |
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| <p>5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p> |  | <p>The Company Secretary distributes to the Board copies of all material market announcements promptly after they have been made.</p> |
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| <p>5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p> |  | <p>The Company Secretary releases a copy of any new and substantive investor or analyst presentation on the ASX Market Announcements Platform ahead of the presentation.</p> |

Principle 6: Respect the Rights of Security Holders

6.1 A listed entity should provide information about itself and its governance to investors via its website.



The Company's website provides a corporate governance landing page where all relevant corporate governance information can be accessed. The website also has access to copies of all releases and reports made to ASX and general information about the Company and its activities.

6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.



The Company has adopted a Shareholder Communication Policy which is available on the Company's website.

6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.



Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the dispatch of any notice of meeting to Shareholders, the Company Secretary sends out material stating that all Shareholders are encouraged to participate at the meeting.

6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.



All resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.



The Shareholder Communications Policy provides that security holders can register with the Company to receive information updates. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholders can email the Company at info@firstgraphene.net.

The Company's Share registrar is equipped for electronic enquiries and shareholders can make changes to their details online.

Principle 7: Recognise and Manage Risk

7.1 The board of a listed entity should:

- a. have a committee or committees to oversee risk, each of which:
 1. has at least three members, a majority of whom are independent directors; and
 2. is chaired by an independent director, and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.



The Company has no specific Risk Committee. The Company has a Risk Management Policy which is posted on the Company website.

The Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Managing Director has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile is updated to reflect any material change.

The Managing Director is required to report on the progress of, and on all matters associated with, risk management on a regular basis.

The Managing Director provides a summary of the Company's management of its material business risks and reports to the Board on the effectiveness of whether those risks are being managed effectively at least annually.

7.2 The board or a committee of the board should:

- a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
- b. disclose, in relation to each reporting period, whether such a review has taken place.



a. The Risk Management Policy requires that the Board should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.

b. The Board has completed a review of the Company's risk management framework in the past financial year.

7.3 A listed entity should disclose:

- a. if it has an internal audit function, how the function is structured and what role it performs; or
- b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.



The Company does not have an internal audit function. The Board works closely with the Management Team to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives. The Audit Committee (or its equivalent) actively encourages the External Auditor to raise internal control issues and oversees management's timely remediation thereof.

7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Board has identified exposure to environmental or social risks as part of its annual risk review and does not consider that it has any material exposure. The Board has implemented suitable risk management processes to be incorporated into all aspects of business planning, operations management and employee relations.

Principle 8: Remunerate Fairly and Responsibly

8.1 The board of a listed entity should:

- a. have a remuneration committee which:
 1. has at least three members, a majority of whom are independent directors; and
 2. is chaired by an independent director, and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.



The Company does not have a separate Remuneration Committee. Given the current size and composition of the Board, the Board believes that 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. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board carries out the role of the Remuneration Committee. The full Board did not officially convene as a Remuneration Committee during the Reporting Period, however Remuneration-related discussions occurred from time to time during the year as required.

The Remuneration Committee charter is available on the Company's website.

8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.



The Company complies with the guidelines for executive and non-executive director remuneration, details of which are included in the Remuneration Report contained within the Annual Report.

8.3 A listed entity which has an equity-based remuneration scheme should:

- a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- b. disclose that policy or a summary of it.



The Company's Remuneration Committee Charter contains a policy restricting participants of the Employee Share Option Plan from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

The Remuneration Committee Charter is available on the Company's website.

The Company's corporate governance practices were in place for the financial year ended 30 June 2025 and to the date of signing the Directors' Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to our website www.firstgraphene.net

This Corporate Governance Statement has been approved by the Board and is dated 22 September 2025.



NOTES

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