MARGOSA GRAPHITE LIMITED

AGM – SUMMARY OPERATIONAL UPDATE

DEVELOPMENT | PRODUCTION | MINING | INVESTMENT

World's highest grade graphite mineral resource

- In April 2020 an upgraded Mineral Resource Estimate of **1.73 Mt grading 76.32% TGC** was announced for the Ridee Ganga Project
- A **331% increase in tonnes** and **316% increase in contained graphite** over the 2019 maiden MRE
- **Main focus is to reclassify the large inferred mineral resource to indicated and extend the LOM >20 years**
- The resource remains **open along strike and down dip** with plenty opportunity to expand the resource
- **Infill drilling has commenced**

Ridee Ganga Vein Graphite Project Mineral Resources April 2020			
	Tonnes	TGC (%)	Contained Graphite (Tonnes)
Indicated	582,610	75.83	441,790
Inferred	1,142,000	76.57	874,400
TOTAL	1,724,610	76.32	1,316,190

Due to its **unique properties and limited commercial production**, vein graphite is a niche graphite product which **commands prices higher than other graphite forms Average sales 2004-2019 by USGS – US$1980/t**

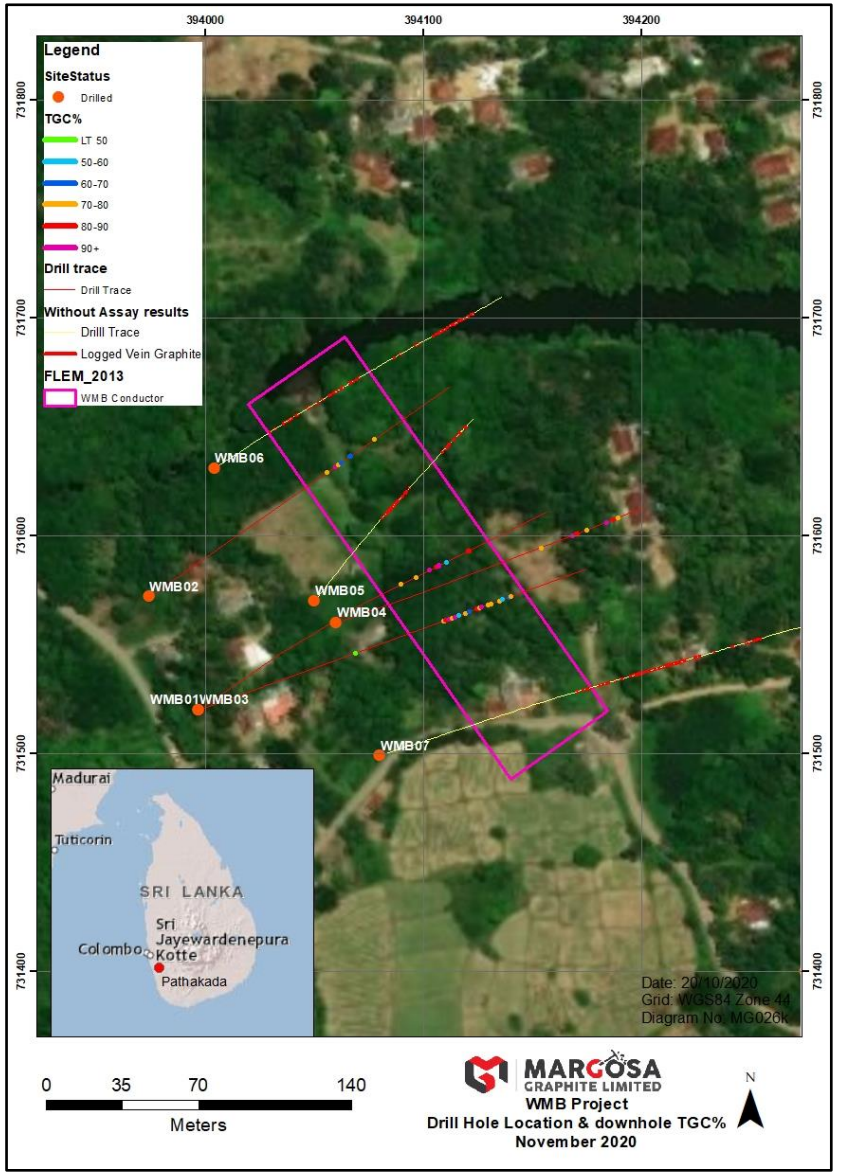
Conductor WMB – Pathakada tenement

- Identified in 2013 during the FLEM survey
- 800 metres north of Ridee Ganga
- First drilled January 2020
- 7 holes drilled <2,000 m HQ
- Assays received for holes WMB01-WMB04 – results up to 97.58% Graphite
- Holes WMB05-WMB07 samples currently with Nagrom Laboratories
- Geological continuity being observed between drillholes

	Total Vein Graphite	Vein Graphite greater than 10cm	Breccia	Hole TD
WMB01	1.89	0.41	0.31	294.1
WMB02	2.39	0.51	0.9	293.3
WMB03	3.29	2.04	0	326.5
WMB04	4.62	0.41	2.82	277.85
WMB05	2.82	1.13	0.29	218.4
WMB06	3.48	1.67	0	301.4
WMB07	3.46	1.23	0	301.5
Total	**21.95**	**7.4**	**4.32**	**2013.05**

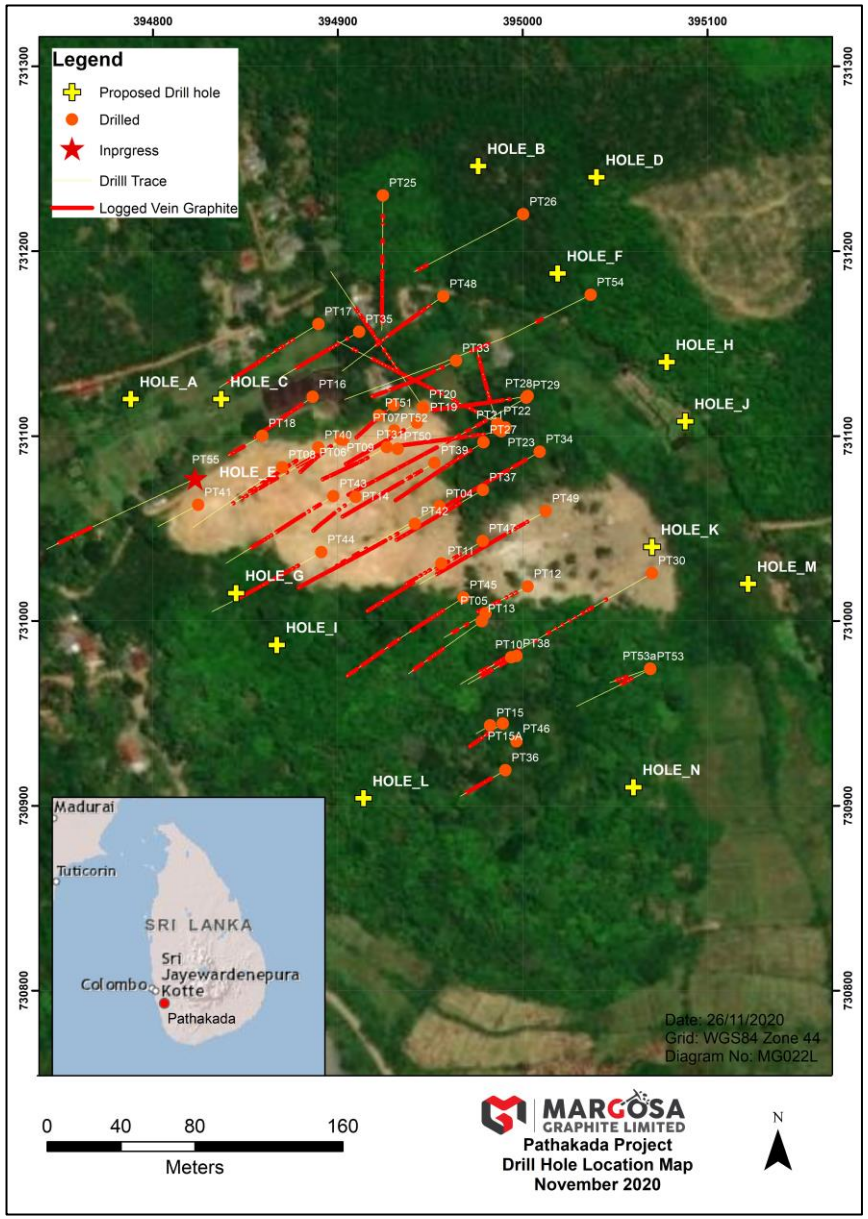
Selected mineral intersections

	Mineral Start	Mineral End	Mineral window	Contained Vein Graphite	% Window mineralised
WMB01	207.31	215.67	8.36	0.51	6.1%
WMB02	173.58	184.66	11.08	0.58	5.2%
WMB03	208.14	265.43	57.29	2.84	5.0%
WMB04	247.16	261.5	14.34	0.47	3.3%
WMB05	104.18	114.79	10.61	1.23	11.6%
WMB06	212.45	257.44	44.99	1.93	4.3%
WMB07	115.12	131.71	16.59	1.19	7.2%



Ridee Ganga infill drilling

- Drilling started early November 2020
- Initial 6 hole program planned
- Objective: To reclassify significant portion of large Inferred MRE to Indicated
- Targeting an increase of circa 400,000 tonnes to give us +20 years LOM

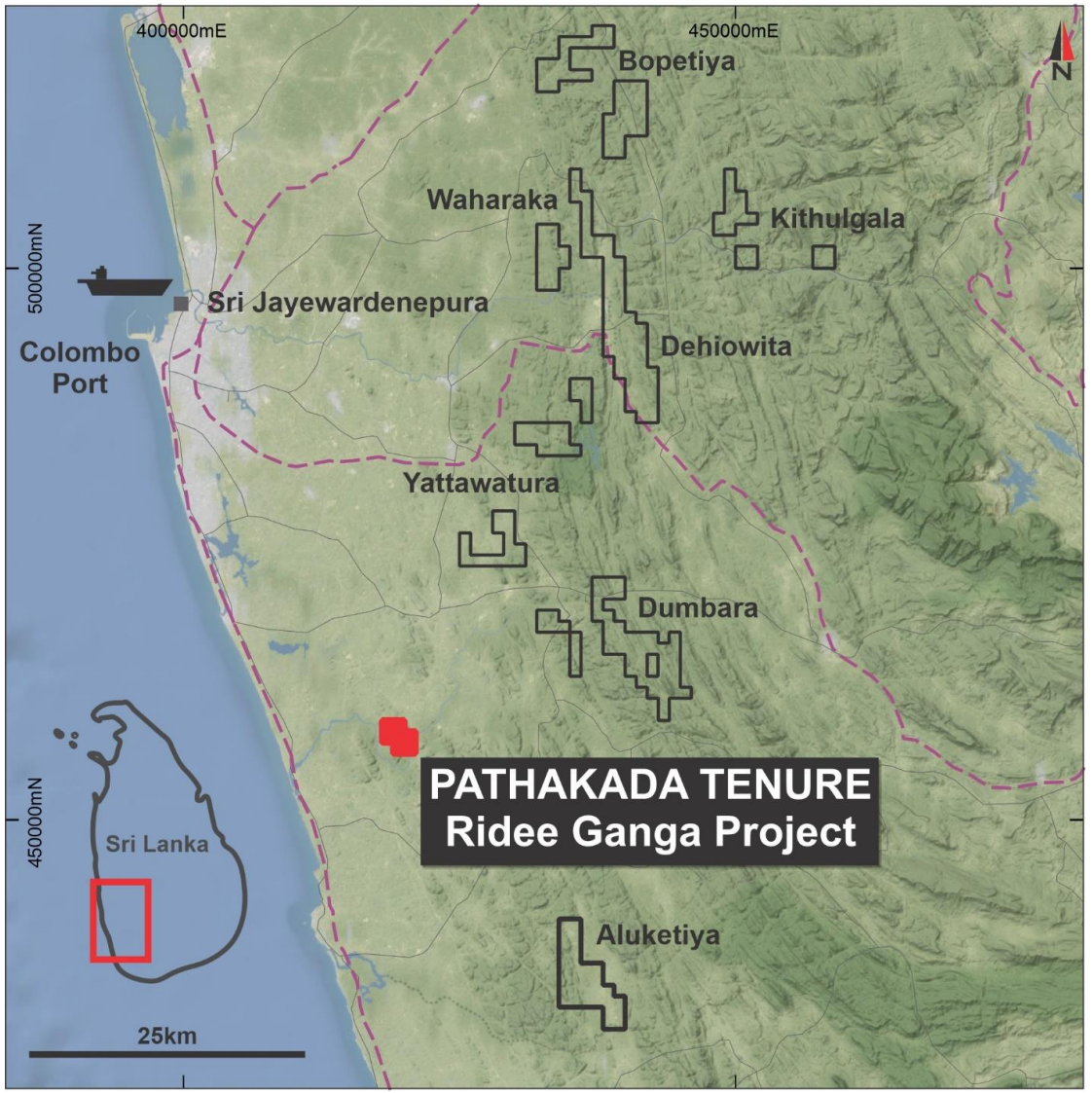


Drill rig LT140

- **Designed, procured and waiting shipment**
- Track mounted rig – designed for Sri Lanka
- Lightweight, small footprint with low ground pressure
- Demountable tracks
- Helicopter portable
- 6 m mast – pivoting top mast section allowing faster sample recovery
- Hydraulic dozer blade for levelling of drill pads and access roads
- Capable of drilling NQ 200 m

Exploration path forward

- MD600 will continue drilling at Ridee Ganga – 6 to 12 months converting Inferred to Indicated
- LT140 Drill rig – will start drilling at Pathakada South – AEM anomaly with historical workings identified during field mapping
- Aluketiya – 5 drill ready targets from 2017 AEM
- Dumbara – 3 drill ready targets from 2017 AEM
- Waharaka - 2 drill ready targets from 2017 AEM
- Continue field mapping and select FLEM survey areas to identify and rank targets within other Project areas



Ridee Ganga infrastructure works commenced

STAGE ONE

Commenced January 2020

- Siteworks; clearing and levelling to infrastructure sites
- Site road upgrades
- Construction equipment and materials shipped and securely stored on site

Recommencement February 2021

- Service Infrastructure; power, water, sewer
- 24 pax accommodation units
- Mess facilities
- Workshop facilities
- Office
- Geological core yard
- Electrical switchrooms
- Fencing

Site clearing commenced January 2020

Typical accommodation unit, materials on site

New IT loader on site

Ridee Ganga pre-production mining

Milestones Achieved to date

- Shaft equipment purchased and refurbished
- Environmental, geotechnical and hydrological studies complete
- Detailed LOM mine plan and schedules complete – part of the Project Feasibility Study
- Access will be via a 1:7 grading decline and development will be by electric hydraulic jumbo drilling machine, diesel loaders and trucks
- Mine production is by bulk *Modified Avoca* and *Hydraulic Methods*
- Shaft collar and initial dewatering bore established and equipped
- Community Well Project – agreed, approved

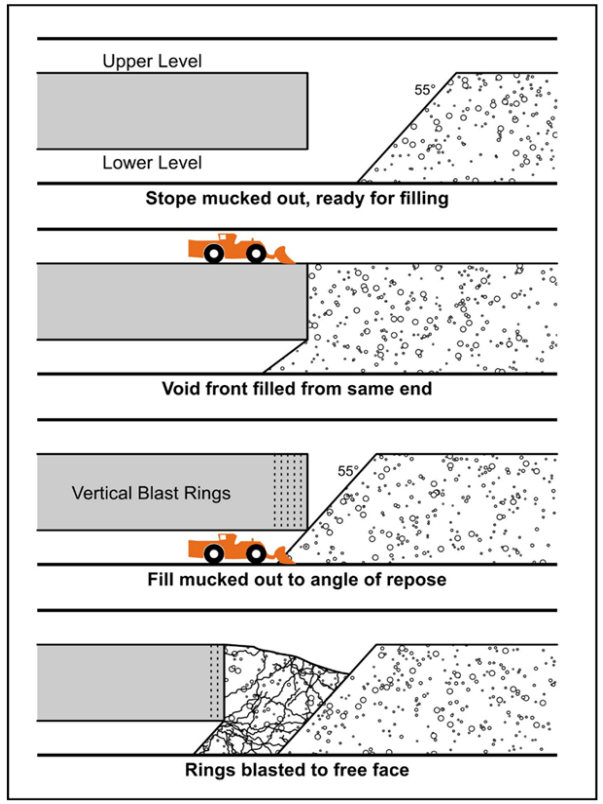
Plans for the next year

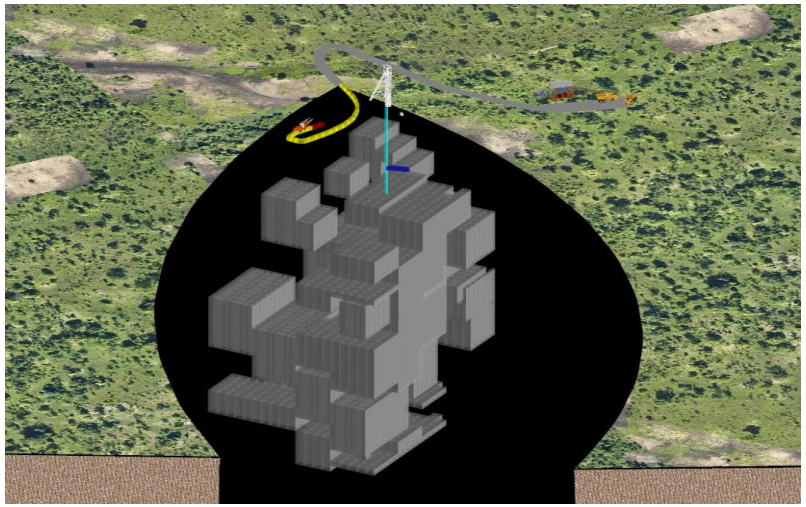
- Sink shaft to approximately. 65m commence Feb 21
- Mine bulk samples from shaft for marketing and specialty analysis
- Construct and support portal via drop cut – begin April 21
- Commence decline development April 21
- Commence production from bulk mining January 22

Mining Methods

Bulk Modified Avoca

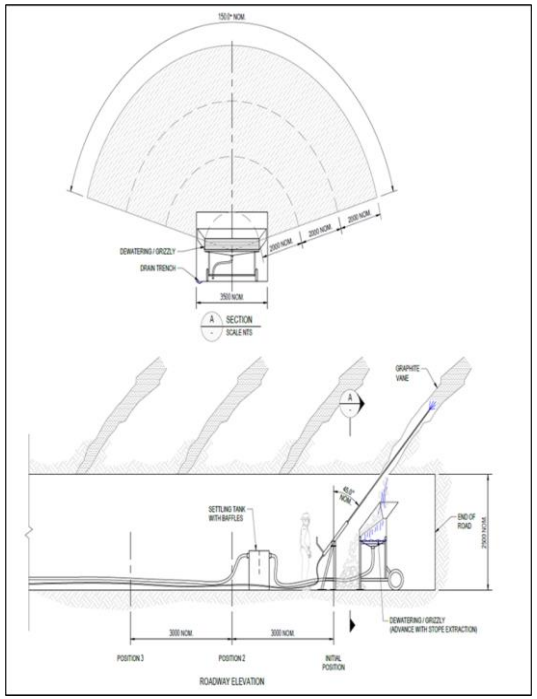
- Voids are filled in sequence with waste/tailings and consolidated waste / tailings





Selective Hydraulic Extraction

- High pressure water is used to wash graphite from veins
- Voids remain open and collapse on retreat

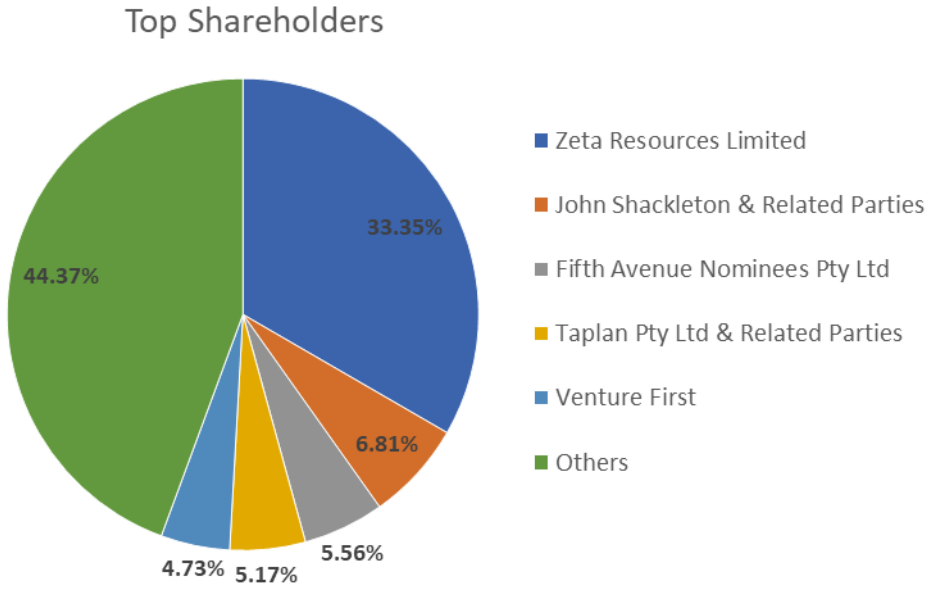


On track with our mission…

To become the world's leading producer of crystalline vein graphite

Sri Lanka is the only country in the world where crystalline vein graphite is found in commercial quantities

Capital Structure (AUD)		
Shares on issue (June 2019)	(55,941,933)	June 2020 76,772,385
Share price	($0.20)	$0.35
Market Cap.	($11.2 mill)	$26.9M
Cash	($0.3 mill)	$2.07M

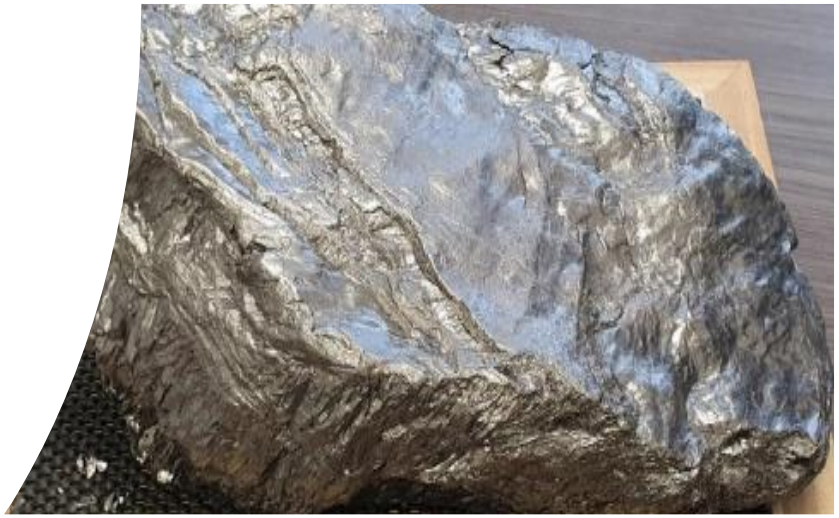


Conclusions – Ridee Ganga is development ready

- **Highest grade JORC graphite deposit in the world, with current MRE of 1.73M tonnes grading 76.32% TGC, which remains open along strike and at depth**
- **The Model does not contemplate mining of the entire JORC (2012) MRE as estimated.**
  - MRE = 1.73mill tonnes of graphite associated with the Project.
  - Model assumes the mining of the Indicated, and a small portion of the Inferred graphite resource. Of the contained graphite outlined in the MRE only 470,610 t are forecast to be mined.
  - Model does not account for nor value the remaining Inferred portion of MRE which amounts to 845,580 t of contained graphite.
  - Margosa is currently carrying out further drilling to upgrade the MRE and increase the future mining inventory.
- Initial metallurgical test work and conceptual plant design highlights *low Capex* requirement for production. The graphite concentrate will be recovered by a conventional crushing, sorting, milling, flotation, drying and screening process.
- The processing plant will be able to handle up to 800,000 t/year of ROM ore and produce in excess of 40,000 t/year of graphite concentrate.

Conclusion – Ridee Ganga is development ready

- Environment small footprint - It is planned to thicken and settle tailings then blend them with waste for use as fill in bulk stope voids. ***WASTE RETURNED UNDERGROUND***
- FIRST producer to provide consistent and secured supply of the high-grade crystalline vein graphite product to the market
- Shaft and camp infrastructure procured, with the construction ready project subject to receiving the necessary
- **First production of the high margin product is targeted for the first quarter in 2022**
- **Feasibility Study (FS) is currently in peer review and we believe it delivers compelling valuation metrics**



PROJECT 2

- Exceptional drill ready exploration opportunities outside of Pathakada supported by coincident EM geophysics and significant historical mine workings

MARGOSA GRAPHITE LIMITED

Sri Lanka
the only country
in the world

where

CRYSTALLINE VEIN GRAPHITE

is commercially mined

DEVELOPMENT | PRODUCTION | MINING | INVESTMENT