

Rights Issue Update

19 July 2023

Dear Shareholder,

Margosa Graphite Limited ("Margosa" or the "Company") is pleased to announce that pursuant to the indicative timetable in the prospectus, the following activities were completed on 18 July 2023:

1. All valid applications for entitlement have been accepted.
2. Shortfall share applications were reviewed by the Directors and all accepted.*
3. All shares were formally allotted.

**All decisions regarding the allocation of shortfall shares were made at the discretion of the Directors in line with the shortfall allocation policy. Shortfall applications totalled 1,412,347 which with the valid entitlement acceptances, exceeded the total available shares under the entitlement offer by 11,084 shares. Accordingly, the Directors prioritised shortfall allocation to existing shareholders who had taken full entitlement. The Directors also prioritised the introduction of those non-existing shareholders as new interested parties. A reduction in shortfall share allocation of 11,084 was offered by an existing shareholder to ensure the Director's priorities could be fulfilled.*

As a shareholder, you will receive notification of allotment through the usual established channels. The Company Secretary will be updating the Company's ASIC register to reflect the changes in holdings as a result of this Rights Issue activity.

Please reach out to us if you have any questions or queries.

Best regards,

Colin Belton – Non-Executive Chairman

On Behalf the Board of Directors
Margosa Graphite Ltd