



Rights Issue Update

17 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 Rights Issue was closed at 5:00pm on Friday 14 July 2023. A summary is laid out below:

Summary	#Shares	\$ (AUD)
Entitlement Acceptances	729,078	255,177.30
Shortfall Applications	1,412,347	494,324.00
Shares available under entitlement offer	2,130,341	745,649.00
Shares available for shortfall application	-11,084*	NA

**Applications for shortfall shares currently exceed those available for allocation by 11,084.*

As noted in the Prospectus, all decisions regarding the allocation of shortfall shares will be made at the discretion of the Directors in line with the shortfall allocation policy and will be final and binding on all applicants under the Shortfall Offer (as such there is no obligation on the Directors to issue any shortfall shares applied for). Furthermore, Margosa may issue the shortfall shares any time within the Shortfall Offer period and does not have to wait until the Shortfall Offer closes.

Margosa will now conduct the following sequence of activity:

1. Accept all valid applications and authorize the issue of shares.
2. Issue shares in accordance with valid applications by 18 July 2023.
3. Allocate and authorize the issue of shortfall shares.
4. Update the Company's ASIC register for the issue of all shares relating to the Rights Issue activity.

Shareholders will receive information via email or post as required.

Best regards,

Colin Belton – Non-Executive Chairman

On Behalf the Board of Directors
Margosa Graphite Ltd