

Margosa Graphite Limited (“Company”)

CONTINUOUS DISCLOSURE POLICY

The Company's Board aims to ensure that the market is properly informed of all information that must be disclosed under the ASX Listing Rules (Listing Rule 3.1 in particular).

There must at all times be a system in place to collect and process information that should realistically be disclosed. The ultimate determination as to whether or not to disclose in doubtful cases may be made by the Board and/or Chairman, taking into account the overall situation of the Company and, if necessary, legal or other advice. To assist in this regard, and, where appropriate, to determine whether information must be disclosed, the Company has established a Continuous Disclosure Compliance Committee ('Compliance Committee') to deal with continuous disclosure issues. The Compliance Committee consists of the Chairman and Company Secretary and, when available, any other Director.

The obligation to keep 'management' fully informed of any significant internal issue relating to or affecting the Company is central to the training and development of all the Company employees, contractors and consultants.

Senior personnel in particular must have a clearly understood and documented accountability to ensure that:

- all reporting staff, as soon as reasonably practicable, report any 'material' event or development within their area of responsibility to their manager and to one or more of the Chairman and/or Company Secretary;
- each department or work area within his or her division or area of responsibility carries out, or is involved in, a review to discuss and agree upon the types of events or developments that are most likely to be 'material' and potentially disclosable, and
- he or she reports immediately any event or development that he or she believes may be potentially disclosable.

Company personnel are not responsible for determining whether or not information is disclosable; rather, each affected individual must ensure that the information is known by his or her manager and one or more members of the Compliance Committee.

Where it is determined that information should be conveyed to the ASX it will, except in extraordinary circumstances, be the Company Secretary who will be the point of contact with the ASX.

Disclosure to the ASX is effected by sending the information in a form suitable for release to the ASX's Company Announcements Platform via lodgement of a PDF on-line at the ASX website. The information is then released to the market through dissemination to a range of data vendors and via Signal G, which carries an edited text of announcements. After a short delay, the information is made available on the ASX website.

In accordance with ASX recommendations, the Company places all relevant announcements and other information, including analysts' briefings, on its website once the information has been given to ASX and the usual acknowledgment has been received that the announcement has been released.

The Company's Directors, employees, contractors and consultants are also required to ensure that information concerning the Company that would be material to its share price is not released to some shareholders or analysts and not to others. As a listed company, Margosa Graphite Limited must not release information that is for release to the market to any person until it has given that information to the ASX and received an acknowledgment from the ASX that it has released the information to the market (Listing rule 15.7).