

16 May 2022

Dear Shareholder,

Margosa Graphite Limited has been closely monitoring the situation of unrest in Sri Lanka. Our concerns for the situation have not surpassed the natural concern for the Sri Lankan people and the unprecedented economic crisis that has been placed upon them. Moving forward, I want to ensure continued situational awareness of the Margosa Shareholder group.

A Public Emergency has been declared in response to the occurrence of large public demonstrations across the country. A government enforced curfew was imposed countrywide on Tuesday 10th May. At present, the curfew remains in place. I can report that the Company Exploration Manager, local workforce and myself are following issued guidance and have at no stage felt threatened or unsafe. Margosa has prioritised the security and safekeeping of in-country assets and will continue to operate routinely whilst observing the specific requirements of the curfew restrictions.

Margosa will continue to monitor the situation through the Department of Foreign Affairs and Trade (DFAT) website ([Sri Lanka Travel Advice & Safety | Smartraveller](#)) and where required follow any direction issued. We will continue to prioritise the safety, security and wellbeing of Margosa employees, contractors and partners as we build and strengthen the Sri Lankan Graphite Industry.

Please contact us via info@margosagraphite.com, if you have any questions or queries, or would like to speak to us in more detail.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J. Shackleton', is written over a light blue horizontal line.

John Shackleton
Executive Chairman