



### *"Record Breaking 10-Year IML Awarded"*

*Margosa Graphite is pleased to announce that its Ridee Ganga Vein Graphite Project has been granted a landmark 10-year renewal of its Industrial Mining License (IML) by the Sri Lankan Geological Survey & Mines Bureau (GSMB). This marks a significant milestone, diverging from the standard 12-month renewal cycle and reflecting the strength of the project and the confidence of the regulatory authority.*

*While Margosa's management has consistently maintained confidence in the annual renewal of the IML, concerns from financial institutions and investors regarding licensing continuity have been noted. In response, Margosa engaged in extensive lobbying and submitted detailed representations to the relevant authorities, advocating for regulatory reform.*

*This award of a 10-year license is a direct outcome of those efforts and represents a major step forward in de-risking the project and providing greater certainty for long-term investment.*

*The Board recognizes the strategic importance of this achievement and views it as a key enabler in positioning Margosa as a leading supplier of high-grade vein graphite. With this regulatory milestone secured, the Company is now well placed to accelerate its development pathway towards production.*

Dear Shareholder,

Margosa Graphite Limited ("Margosa" or the "Company") is pleased to provide an update on its current status and in-country development activities.

#### **OVERVIEW – 10-Year IML Extension**

Margosa is proud to announce that, in accordance with the regulatory requirements for the Category 'A' Industrial Mining License (IML) related to its Ridee Ganga Project, the Geological Survey & Mines Bureau (GSMB) of Sri Lanka has renewed the Company's IML for a second consecutive year—and significantly, has extended the license period to 10 years.

This milestone marks a major breakthrough not only in Margosa's pursuit of substantial financial backing for the Project but also reflects a notable shift in Sri Lanka's regulatory landscape and its welcoming stance toward foreign investment in the mining sector.

#### **INVESTOR CONFIDENCE**

The Project's potential to attract significant funding to reach Full Operational Capacity (FOC) has taken another decisive step forward. The Company continues to engage with institutional investors, brokers, and advisors to identify and meet key milestones that align with strategic investor expectations.

These engagements have led to the formulation of a roadmap designed to secure long-term investment and value for Margosa's shareholders and stakeholders. Notably, discussions with the International Monetary Fund (IMF) have advanced to the point where the institution indicated that securing a 10-year mining license would be instrumental in enhancing support for the Project. With this milestone achieved, Margosa is well-positioned to resume and progress those conversations.

Additionally, the Company is in advanced consultation with UK-based advisors on a potential "Loan-to-Value" debt facility and has attracted serious interest from strategic investors across India, the USA, and Europe.

#### **ACKNOWLEDGEMENT**

This success is the result of the exceptional efforts and persistence of Margosa's internal management team. The Board would also like to extend its sincere appreciation to Mr. Paul Stephens, Australian High Commissioner, Dr. Paul Zeccola, First Secretary (Political & Economic), and the broader team at the Australian High Commission in Colombo for their consistent support and assistance over the past three years.

Margosa's Managing Director, Mr. John Shackleton, stated:

"The team at the Australian High Commission has played a vital role in the development of strong bilateral relations and is a credit to the enduring partnership between Australia and Sri Lanka."

Thank you for your continued support.

Best regards,

**Non-Executive Chairman**

On Behalf the Board of Directors

