



Margosa Graphite Limited– Update

Dear Shareholders,

Margosa Graphite Ltd ("**Margosa**" or the "**Company**") is pleased to announce the appointment of Kent Consulting Partners ("KCP") as its Corporate advisor to evaluate and advance a potential Initial Public Offering (IPO). The mandate includes assessing listing opportunities across several international exchanges, including the TSX, LSE/AIM, NYSE and/or the Nasdaq Stock Market, the latter potentially via a Special Purpose Acquisition Company ("SPAC") transaction.

KCP is a privately owned company based in Western Australia and headed up by the Founder and CEO **Blaise Thomas**. The company provides a range of corporate consulting services to private and public companies operating in resource mining and exploration, technology and property industries.

Additionally, the company facilitates qualified corporate and private referrals and introductions to Investment Groups, Private Equity Funds, HNW and Family Offices, Finance groups. Blaise is also a partner at *Welsbach Corporate Solutions LLC-FZ* ("Welsbach"). Welsbach is a division of Singapore-based Welsbach Holdings Pte Ltd and is a project development group focused on the structuring and financing of critical minerals supply chains.

Welsbach also brings deep expertise in structuring strategic transactions for critical minerals projects and has significant experience in SPAC processes and associated supply chain development.

Strategic rationale

Margosa is targeting the supply of graphite classified as critical in the US, UK, Asian and European markets. Sri Lankan vein graphite is among the highest-purity natural graphite products and is increasingly important to North American and European EV and energy storage supply chains. Building on test results previously announced to shareholders, the Company's R&D programs have validated Ridee Ganga vein graphite as a direct replacement for synthetic graphite in specific high-value use cases (including printed electronics), with potential to expand into other premium graphitic applications over time.

The Board believes that, in the current environment, an IPO or SPAC transaction may provide a compelling pathway to achieve a valuation that more appropriately reflects the underlying value of the Company and its Ridee Ganga Project. This view is supported by key milestones delivered to date, including:

- 10-year Industrial Mining License (IML)
- JORC (2012) compliant resource upgrade to approximately 2.5 million tonnes at 78.6% TGC
- Clear line of sight to first production through the Early Production Opportunity (EPO)

The Company has also advanced its Feasibility Study (FS) work, with results indicating increasing project value relative to the original 2020 study, and a 2026 study upgrade currently in progress.

A public listing could provide Margosa with improved access to European, UK and US equity and capital markets, where critical minerals companies often attract stronger investor attention and valuation metrics than in Australia.

The US market has demonstrated strong appetite for critical minerals projects, supported by policy focus on supply chain security. Graphite is designated as a critical mineral by the US Government,



and recent US–Australia initiatives to strengthen critical minerals supply chains contemplate government-backed financing tools (including loans, guarantees and, in some cases, equity-style support) for eligible projects.

Margosa’s Managing Director, John Shackleton, stated: “We are pleased to appoint Blaise as a Company advisor in connection with this potential strategic transaction and listing. Blaise has been a long-standing supporter of Margosa and is well placed to bring together like-minded advisors and investors as we seek to enter the public markets and position the Company as a leader in high-end natural vein graphite production. This appointment comes at a pivotal time, with growing investor and policy focus in the US, Europe and India on critical minerals supply chain security and advanced-stage projects such as Ridee Ganga. We look forward to working with Blaise and his network to evaluate this opportunity while continuing to advance Ridee Ganga and other high-value areas within the Company’s portfolio.”

Sincerely,

John Shackleton

(On behalf of the Margosa Board of Directors)