

Notice of Annual General Meeting 2023



Latrobe Magnesium Limited

ABN 52 009 173 611

IMPORTANT INFORMATION

This document is important. Please read it carefully and if you require assistance, consult your legal or financial adviser.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2023 Annual General Meeting ("AGM") of Latrobe Magnesium Limited ("Company") will be held at the Board Room, Ground Floor, 2 Market Street, Sydney, NSW 2000 on Wednesday, 22 November 2023 at 11.00 am. The meeting will be a hybrid meeting where shareholders may attend in person or via an online platform at <https://meetnow.global/MZTRJAJ>. Shareholders attending the online meeting will be able to ask questions and vote at the live meeting. For instructions refer to the online user guide www.computershare.com.au/virtualmeetingguide.

Registration will commence from 9.00 am (AEDT) on 1 November 2023. If you wish to participate online, we recommend you register at least one hour before the commencement of the AGM.

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the financial report of the Company for the financial year ended 30 June 2023 together with the Directors' Report, Directors' Declaration and the Auditors' Report.

Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, pass with or without amendment the following resolution as a non-binding resolution:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes approval is given for the adoption of the remuneration report as in the Company's Annual Financial Report for the financial year ended 30 June 2023."

The Audited Remuneration Report is set out on pages 18 to 19 of the Directors' Report contained in the 2023 Annual Report. In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of the Resolution are advisory only and do not bind the Company.

Voting exclusion statement

The entity will disregard any votes cast in favour of the Resolution 1 by or on behalf of:

- i. the named person or class of persons excluded from voting; or
- ii. an associate of that person or those persons

However, this does not apply to a vote cast in favour of a resolution by:

- i. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- ii. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- iii. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 - Re-election of P F Bruce as a Director

To consider and, if thought fit to pass with or without amendment, the following resolution as an ordinary resolution:

"That Philip Bruce, having retired from office as a Director in accordance with Article 12.2 of the Company's constitution and being eligible, having offered himself for re-election, be re-elected as a Director of the Company."

His background, experience and qualifications are detailed on page 15 of the Directors' Report contained in the 2023 Annual Report.

Resolution 3: Re-election of P C Church as a Director

To consider and, if thought fit to pass with or without amendment, the following resolution as an ordinary resolution:

"That Peter Church, having retired from office as a Director in accordance with Article 12.4 of the Company's constitution and being eligible, having offered himself for re-election, be re-elected as a Director of the Company."

His background, experience and qualifications are detailed on page 17 of the Directors' Report contained in the 2023 Annual Report.

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Resolution 4 – Ratification of Previous Share Issue to RnD Funding Pty Ltd

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the Company hereby approve and ratify the allotment and issue of 15,000,000 shares to RnD Funding Pty Ltd being payment of financing costs in lieu of cash payments on the terms set out in the explanatory statement”.

Voting exclusion statement

The entity will disregard any votes cast in favour of the Resolution 4 by or on behalf of:

- i. a person who participated in the issue or is a counterparty to the agreement being approved; or
- ii. RnD Funding Pty Ltd; or
- iii. an associate of that person or those persons

However, this does not apply to a vote cast in favour of a resolution by:

- i. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- ii. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- iii. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Ratification of Previous Share Issue by Placement on 24 May 2023

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the Company hereby approve and ratify the allotment and issue of 70,000,000 ordinary shares in the Company to sophisticated and professional investors by way of placement on 24 May 2023 on the terms set out in the explanatory statement.”

Voting exclusion statement

The entity will disregard any votes cast in favour of the Resolution 5 by or on behalf of:

- i. a person who participated in the issue or is a counterparty to the agreement being approved; or
- ii. an associate of that person or those persons

However, this does not apply to a vote cast in favour of a resolution by:

- i. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- ii. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- iii. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

SPECIAL BUSINESS

Resolution 6 – Approval to replace the Company’s Constitution

To consider and, if thought fit, to pass with or without amendment the following resolution as a special resolution:

“That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing constitution and adopt a new constitution in its place in the form as signed by the Chair of the Meeting for identification purposes, with effect from the close of the Meeting.”

Voting exclusion statement

The entity will disregard any votes cast in favour of the Resolution 6 by or on behalf of:

- i. a person who is eligible to participate in the amendment to the Constitution; or
- ii. an associate of that person or those persons.

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However, this does not apply to a vote cast in favour of a resolution by:

- i. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- ii. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- iii. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 - Approval of 10% placement facility

To consider and, if thought fit, to pass with or without amendment the following resolution as a special resolution:

"That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the accompanying Explanatory Statement."

Voting exclusion statement

The entity will disregard any votes cast in favour of the Resolution 7 by or on behalf of:

- i. any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- ii. an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- i. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- ii. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- iii. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

The entity will disregard any votes cast in favour of the Resolution 7, if at the time the approval is sought the entity is proposing to make an issue of equity securities under rule 7.1A.2 to any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity)

OTHER BUSINESS

To transact any other business which, in accordance with the Company's Constitution and the Corporations Act, may be legally brought before an Annual General Meeting.

By Order of the Board of Directors



J R Lee
Secretary

Dated 20 October 2023

The notice of meeting is accompanied by an Explanatory Statement to shareholders which explains the purpose of the Meeting and the resolutions to be considered at the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

This Explanatory Statement forms part of this Notice of Annual General Meeting and is intended to provide shareholders of Latrobe Magnesium Limited (“Company”) with sufficient information to assess the merits of the Resolutions to be considered at this Annual General Meeting.

The Directors recommend that shareholders read this Explanatory Statement in its entirety before making any decision in relation to the Resolutions. Should shareholders be in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Financial Statements and Reports

The Corporations Act requires that the Annual Report (which includes the Financial Report, Directors’ Report and Auditors’ Report) be laid before the Annual General Meeting. There is no requirement for shareholders to approve those reports.

Shareholders will be given an opportunity at the Annual General Meeting to ask questions and make comments on the Company’s reports and accounts and on the business and operations of the Company generally for the year ended 30 June 2023.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company’s Annual Financial Report to shareholders unless a shareholder has specifically elected to receive a printed copy.

Shareholders may view the Company’s Annual Financial Report on the website under “Investor Centre” section at www.latrobemagnesium.com.

Resolution 1 - Adoption of Remuneration Report

The Audited Remuneration Report of the Company for the financial year ended 30 June 2023 is set out in the Directors’ Report contained in the 2023 Annual Report on pages 18 to 19.

A reasonable opportunity will be provided for discussion on the Remuneration Report at the Annual General Meeting.

The Corporations Act 2001 requires listed company to put to a vote at its Annual General Meeting a non-binding resolution to shareholders to adopt the Remuneration Report. Under the legislation this vote will be advisory only and does not bind the Directors or the Company. However, the Board recognises the vote as an indication of shareholder sentiment and will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at this meeting when reviewing the Company’s remuneration policies.

If 25% or more of the votes casted are against the adoption of the Remuneration Report at two consecutive Annual General Meetings, a resolution must be put to the second of those Annual General Meetings (a “spill resolution”) requiring shareholders to vote on whether the Company must hold another general meeting (a “spill meeting”). If the “spill resolution” is approved by a simple majority of 50% or more votes casted, the “spill meeting” must be held within 90 days at which all of the Company’s Directors other than the Managing Director, must stand for re-election.

The remuneration levels for Directors, Officers and Senior Managers are competitively set to attract and retain appropriate Directors and key management personnel.

Resolution 2 - Re-election of Director

Philip Bruce retires in accordance with Article 12.2 of the Company’s constitution which provides that at each Annual General Meeting one third of the Directors must retire from office. The Directors to retire are those that have been longest in office since their last election or appointment. Being eligible Mr Bruce offers himself for re-election.

Details of his respective qualifications, experience, other directorships and security holdings in the Company are detailed in the Annual Report.

Each of the Directors, with the exception of the Director being offered for re-election, recommend that shareholders vote in favour of Resolution 2.

Resolution 3 - Re-election of Director

Peter Church retires in accordance with Article 12.4 of the Company’s constitution which provides that a director appointed as an addition to the existing directors will hold office only until the next General Meeting and is then eligible for election. Being eligible Mr Church offers himself for re-election.

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Details of his respective qualifications, experience, other directorships and security holdings in the Company are detailed in the Annual Report.

Each of the Directors, with the exception of the Director being offered for re-election, recommend that shareholders vote in favour of Resolution 3.

Resolution 4 – Ratification of Previous Share Issue to RnD Funding Pty Ltd

This Resolution seeks shareholder ratification and approval for the issue of 15,000,000 shares at \$0.07 per share to RnD Funding Pty Ltd as payment of financing costs in lieu of cash payment.

On 26 April 2023, the facility secured in May 2022 of \$23 million was increased by \$3 million to \$26 million, without increase in interest rate on loan. The payment by shares was to preserve cash flow for capital and operating expenses. The shares were issued on the 29 April 2023

RnD Funding Pty Ltd is not a related party to the Company.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold in Listing Rule 7.1.

If subsequent approval to the share issue is provided by shareholders, it will "refresh" the Company's ability to issue securities up to the 15% limit without the need for shareholder approval. The Company seeks shareholder ratification of the issue of shares so that the Company will have flexibility to issue further securities should the need or opportunity arises.

If resolution 4 is passed, the Issue will be excluded in calculating LMG's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

If this Resolution is not passed, the issue will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without shareholder approval over the 12 month period following the Issue Date.

The Directors recommend that shareholders vote in favour of Resolution 4.

Resolution 5 – Ratification of Previous Share Issue by Placement on 24 May 2023

This Resolution seeks shareholder ratification of the issue of 70,000,000 ordinary shares at 6 cents to sophisticated and professional investors by way of placement on 24 May 2023.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold in Listing Rule 7.1.

If subsequent approval to the share issue is provided by shareholders, it will "refresh" the Company's ability to issue securities up to the 15% limit without the need for shareholder approval. The Company seeks shareholder ratification of the issue of shares so that the Company will have flexibility to issue further securities should the need or opportunity arises.

If resolution 5 is passed, the Issue will be excluded in calculating LMG's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

If this Resolution is not passed, the issue will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without shareholder approval over the 12 month period following the Issue Date.

In accordance with the requirements of Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess Resolution 5:

- (a) A total number of 70,000,000 shares were allotted and issued at an issue price of \$0.06 per share.
- (b) The Private Placement was an "excluded offer" to sophisticated investors determined in accordance with section 708 of the Corporations Act. The placements were managed by Ord Minnett Limited in conjunction with Peak Assets Management Pty Ltd, a licenced securities dealer.
- (c) None of the allottees are related parties of the Company
- (d) The shares issued were fully paid ordinary shares and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (e) The funds raised by the issue of shares pursuant to the private placement have been and will be primarily used for construction of the demonstration magnesium plant, continued test work and working capital.

The Directors recommend that shareholders vote in favour of Resolution 5.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 6 – Approval of Replacement to Constitution

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing constitution and adopt a new constitution (**Proposed Constitution**) which is the type required for a listed public company limited by shares updated to ensure it reflects current market practice, and incorporating amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted on 23 April 1986.

The directors believe that it is preferable in the circumstances to replace the existing constitution with the Proposed Constitution rather than to amend a multitude of specific provisions. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating the name of the Company to reflect the name adopted;
- (b) updating references to bodies or legislation which have been renamed; and
- (c) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

It is not practicable to list all of the changes to the existing constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

Copies of the Company's existing constitution and the Proposed Constitution are available from the Company's website at www.latrobemagnesium.com. You can request a copy of these documents by emailing enquire@latrobemagnesium.com.

For this Resolution 6 to be passed as a special resolution, at least 75% of the votes cast by shareholders entitled to vote on the resolution must be in favour of the resolution, in accordance with the Corporations Act.

Outline summary of key changes

Topic	Detail	Rule in Proposed Constitution
Preference shares	If the Company is to issue preference shares, in accordance with section 254A of the Corporations Act, the Proposed Constitution sets out the rights attaching to preference shares.	Rule 2.2(b)
Restricted securities	The current provisions dealing with restricted securities are proposed to be amended such that the equivalent provisions in the Proposed Constitution comply with the changes to ASX Listing Rule 15.12 which took effect from 1 December 2019.	Rule 2.5
Joint holders	ASX intends to replace CHESS with a new system (CHESS Replacement) that will have the functionality to record up to four joint holders for each share. In anticipation of the implementation of the CHESS Replacement, amendments are proposed to permit the Company to register up to four persons as joint holders.	Rule 4.1
Minimum shareholding	Rule 13 of the Proposed Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's shares on ASX as at the relevant time. The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act and ASX Listing Rule 15.13 such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.	Rule 13
Partial (proportional) takeover provisions	A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares. Pursuant to section 648G of the Corporations Act, the Proposed Constitution includes a provision whereby a proportional takeover bid for shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act. This rule of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the rule. Information required by section 648G of the Corporations Act <i>Effect of proposed proportional takeover provisions</i> Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.	Rule 15

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Topic	Detail	Rule in Proposed Constitution
	<p><i>Reasons for proportional takeover provisions</i></p> <p>A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.</p> <p><i>Knowledge of any acquisition proposals</i></p> <p>As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.</p> <p><i>Potential advantages and disadvantages of proportional takeover provisions</i></p> <p>The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.</p> <p>The potential advantages of the proportional takeover provisions for Shareholders include:</p> <ul style="list-style-type: none"> (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed; (b) assisting in preventing Shareholders from being locked in as a minority; (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid. <p>The potential disadvantages of the proportional takeover provisions for Shareholders include:</p> <ul style="list-style-type: none"> (a) proportional takeover bids may be discouraged; (b) lost opportunity to sell a portion of their shares at a premium; and (c) the likelihood of a proportional takeover bid succeeding may be reduced. <p><i>Recommendation of the Board</i></p> <p>The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.</p>	
Use of technology	The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, ASX Listing Rules and applicable law.	Rule 16.6
Direct voting	<p>The Proposed Constitution includes a new provision which allows shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy).</p> <p>Direct voting is a mechanism by which shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a shareholder are taken to have been cast on the poll as if the shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the directors, the notice of meeting will include information on the application of direct voting.</p>	Rule 18
Directors interests	In contrast to the current constitution, the Proposed Constitution permits directors to participate in and vote on matters that they have an interest in provided the director complies with its obligations under the Corporations Act and the ASX Listing Rules to disclose its interests.	Rule 19.7(f)
Dividend	<p>Section 254T of the Corporations Act was amended effective 28 June 2010. There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.</p> <p>The amended requirements provide that a company must not pay a dividend unless:</p>	Rule 25

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Topic	Detail	Rule in Proposed Constitution
	<p>(a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;</p> <p>(b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and</p> <p>(c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.</p> <p>The existing constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act.</p>	

The Directors recommend that shareholders vote in favour of Resolution 6.

Resolution 7 - Approval of 10% placement facility

1. General

Listing Rule 7.1A enables eligible entities to issue additional equity securities up to 10% of its issued share capital, based on the number of equity securities on issue 12 months before the issue date, through placements over the 12 months after the date of the annual general meeting at which the approval is obtained by special resolution of shareholders ("10% Placement Facility"). The 10% Placement Facility operates in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is, as at the date of the relevant special resolution passed for the purposes of Listing Rule 7.1A, not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue additional equity securities over the forthcoming 12-month period under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 2(c) below).

The purposes of any issue of shares pursuant to the additional capacity would be to assist with the funding of the construction of the magnesium plant and provide working capital.

If resolution 7 is passed LMG will be able to issue equity securities to up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If resolution 7 is not passed, LMG will not be able to access the additional 10% capacity to issue equity securities provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

2. Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a **special resolution** at an annual general meeting.

(b) Equity securities

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A has the same meaning in Listing Rule 7.1.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4. and

"relevant period" has the same meaning as in Rule 7.1.

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(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue equity securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 2(c) above).

(e) Minimum issue price

The issue price of the equity securities issued under Listing Rule 7.1A.2 must be in an existing quoted class of the entity's equity securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average price ("VWAP") for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed between the entity and the recipient of the securities; or
- (ii) if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

(f) 10% placement period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) The time and date of the entity's next annual general meeting
- (iii) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX ("10% Placement Period").

3. Specific Information Required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility proposed to be established following passage of Resolution 7:

- (a) The equity securities will be issued at an issue price of not less than that specified in Listing Rule 7.1A.3, as described at paragraph 2(e), above.
- (b) Shareholders should be aware that there is a risk of economic and voting dilution of existing ordinary security holders that may result from an issue of equity securities under rule 7.1A.2, including the risk that:
 - (i) the market price for the Company's equity securities in that class may be significantly lower on the date of the issue of the equity securities than on the date of the approval under ASX Listing Rule 7.1A; and
 - (ii) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date, which may have an effect on the amount of funds raised by the issue of the equity securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table below also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

NOTICE OF ANNUAL GENERAL MEETING

Variable "A" in Listing Rule 7.1A.2				\$0.022 50% decrease in issue price	\$0.044 issue price	\$0.088 100% increase in issue price
1,729,007,814	Voting Dilution	10%	Shares	172,900,781	172,900,781	172,900,781
Current Variable A			Funds Raised	\$3,803,817	\$7,607,634	\$15,215,269
2,593,511,721	Voting Dilution	10%	Shares	259,351,172	259,351,172	259,351,172
50% increase			Funds Raised	\$5,705,726	\$11,411,452	\$22,822,903
3,458,015,628	Voting Dilution	10%	Shares	345,801,563	345,801,563	345,801,563
100% increase			Funds Raised	\$7,607,634	\$15,215,269	\$30,430,538

The table has been prepared on the following assumptions:

- i. The Company issues the maximum number of equity securities available under the 10% Placement Facility.
 - ii. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - iii. The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the meeting.
 - iv. The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - v. The issue of equity securities under the 10% Placement Facility consists only of shares on issue.
 - vi. The issue price is \$0.044, being the opening price of the Shares on ASX on 28 September 2023.
- (c) The Company will only issue and allot the equity securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the equity securities will lapse after that period. It will also cease to be valid in the event the Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the equity securities under 7.1A for cash consideration. In such circumstances, the Company intends to use the funds raised to make payments towards the construction of its magnesium plant, additional feasibility studies for expansion of the plant, further test work and working capital.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the effect of the issue of the equity securities on the control of the Company;
- (iii) the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing security holders can participate;
- (iv) prevailing market conditions;
- (v) the financial situation and solvency of the Company; and
- (vi) advice from corporate, financial and broking advisers (if applicable)

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial shareholders and/or new shareholders of the Company who are not related parties or associates of a related party of the Company.

- (e) The Company obtained Shareholder approval under Listing Rule 7.1A last year and issued shares under this Listing Rule in the last 12 months.

During the 12 months preceding 22 November 2023, being the date of the Meeting, the Company issued a total of 107,533,018 shares representing 6.22% of the total number of equity securities on issue, of which 7,683,018 shares issued under exercise of options and 99,850,000 shares issued within the Company's Rule 7.1 capacity.

Information relating to the proposed issue and issue of equity securities by the Company in the 12 months prior to 22 November 2023 is as below.

NOTICE OF ANNUAL GENERAL MEETING

Date of Issue or Agreement to Issue	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue Price of Equity Securities and discount to Market Price on the trading day of the issue	If issued for cash - the total consideration, what it was spent on and the intended use of any remaining funds. If issued for non-Cash consideration – a description of the consideration and the current value of the consideration
21-Oct-19 18-Nov-21 16-Nov-22 30-Jun-23 Balance	35,889,199 -12,666,000 -8,373,199 -14,850,000 0	Unlisted Warrants expired 15-Oct-22	RnD Funding Pty Ltd	Exercise price: \$0.03 Discount to market price: N/A	The warrants were issued in lieu of reduced fees for a project financing facility
28-Oct-21 19-Nov-21 19-Nov-21 21-Jan-22 Dec-21 to Nov-22 Jan-23 Feb-23 May-23 Jun-23 Jul-23 Aug-23 Sep-23 Balance	60,000,001 28,750,000 4,500,000 25,500,000 -4,376,039 -539,000 -1,271,575 -1,491,250 -70,000 -824,000 -727,000 -2,760,193 106,690,944	Listed Options expiring 26-Oct-23	1 to 2 for each share issued 1 to 4 for each share issued Peak Assets Management Pty Ltd Various option holders Various option holders Various option holders Various option holders Various option holders Various option holders Various option holders Various option holders	Exercise price: \$0.04 Discount to market price: N/A Exercise of options Exercise of options Exercise of options Exercise of options Exercise of options Exercise of options Exercise of options	Issued under placement Issued under placement Payment of capital raising fees in lieu of cash payment Cash received \$175,042 Cash received \$21,560 Cash received \$50,863 Cash received \$59,650 Cash received \$2,800 Cash received \$32,960 Cash received \$29,080 Cash received \$110,408 To fund working capital
08-Jul-22	80,000,001	Unlisted Warrants Various expiry dates ending 30-Jun-27	RnD Funding Pty Ltd	Various exercise Prices. Discount to Market price: N/A	Payment of financing fees in lieu of cash payment
24-Apr-23	15,000,000	Ordinary Shares	RnD Funding Pty Ltd	Issue Price: \$0.07 Discount to market price: No	Payment of financing fees in lieu of cash payment
29-May-23	70,000,000	Ordinary Shares	Placement	Issue price: \$0.06 Discount to market price: No	Cash received \$4,200,000 To fund working capital
31-May-23	15,000,000	Unlisted options expiring 23-May-25	Promoters of capital raising	Exercise Price: \$0.10 Discount to market price: N/A	Payment of capital raising fees in lieu of cash payment
30-Jun-23	14,850,000	Ordinary Shares Warrant exercise	RnD Funding Pty Ltd	Issue price: \$0.03 Discount to market price: 0.02	Cash received \$445,500 To fund working capital

- (f) A voting exclusion statement is included in the accompanying Notice. At the date of this Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing shareholders' votes will therefore be excluded under the voting exclusion in the accompanying Notice.

Board Recommendation

The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further shareholder approval), should it be required. At the date of the notice of this meeting, the Company has no plans to use the 10% Placement Facility should it be approved.

Accordingly, the directors unanimously recommend that Shareholders vote in favour of Resolution 7 and propose to cast all votes controlled by them in favour of Resolution 7.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 5000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Monday, 20 November 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

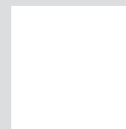
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 183297
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Latrobe Magnesium Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Latrobe Magnesium Limited to be held at the Board Room, Ground Floor, 2 Market Street, Sydney, NSW 2000 and online on Wednesday, 22 November 2023 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of P F Bruce as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of P C Church as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Previous Share Issue to RnD Funding Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Previous Share Issue by Placement on 24 May 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to replace the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

NOTES ON PROXIES:

1. Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.
2. A member entitled to attend and vote at this Meeting is entitled to appoint no more than two proxies to attend and vote in his/her stead pursuant to the Constitution.
3. If a member appoints one proxy only, that proxy shall be entitled to vote on a show of hands, but if a Member appoints two proxies neither shall be entitled to vote on a show of hands.
4. Where more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the Member's voting rights. Otherwise, each proxy may exercise half of your votes.
5. A proxy need not be a security holder of the Company.
6. Signing instructions:
 - **Individual:** Where the holding is in one name, the security holder must sign.
 - **Joint Holding:** Where the holding is in more than one name, all of the security holders should sign.
 - **Power of Attorney:** If this form is executed under a power of attorney and you have not already lodged the relevant power of attorney with the registry, please attach a certified photocopy of the power of attorney to this form when you return it.
 - **Companies:** Where the company has a sole director, who is also the sole company secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise, this form must be signed by a director or a company secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Registration will commence from 9.00 am (AEDT) on 1 November 2023. If you wish to participate online, we recommend you register at least one hour before the commencement of the AGM.

For your vote to be effective the completed proxy form must be received by 11.00 am on Monday 20 November 2023, being the second business day prior to the Meeting, at:

- Suite 504, Level 5, 80 Clarence Street, Sydney NSW 2000; or
- GPO Box 4729, Sydney, NSW 2001, or
- email - lmq@latrobemagnesium.com

Entitlement to vote

In accordance with the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Meeting all Shares will be taken to be held by the persons who held them as registered Shareholders at 7.00pm (AEDT) on 20 November 2023. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.