



Latrobe 
Magnesium
Smart | Efficient | Green

Equity Raising Presentation

ASX: LMG

May 2024

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in Denmark is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

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Section One
Executive Summary



Investment Highlights

Latrobe Magnesium is developing a world-first, low-cost, low emission and environmentally sustainable hydromet / thermal reduction process to convert nearly 100% of waste resources into magnesium metal and other valuable commodities



Magnesium is recognised as a Critical Mineral by the governments of Australia, USA, Japan, UK and the EU. China was responsible for more than 90% of global magnesium supply in 2022¹, creating significant concentration risk. The global magnesium market is forecast to grow rapidly through to 2032, driven by demand from multiple sectors, particularly the auto-manufacturing industry where magnesium reduces vehicle weight and emissions. Western governments are strongly supporting the onshoring of magnesium manufacturing.



Latrobe Magnesium's (LMG) proprietary, CO₂-sequestering hydromet technology allows it to become a low-cost, environmentally responsible global producer of clean minerals. LMG's feedstocks, both fly ash and ferro nickel slag, contain magnesium oxide (MgO) and calcium oxide, rather than carbonates. The result is more than a 50% reduction in CO₂ emissions relative to China-based magnesium producers where dolomites are calcined. Additionally, fly ash creates significant environmental issues as it is stored in pits at thermal coal power plants, often for decades. Consequently, the domestic government is very supportive of LMG eradicating these environmental concerns through the processing of existing fly ash tailings.



LMG aims to produce not just magnesium but other valuable saleable products from its feedstock. These products include supplementary cementitious materials (SCM), iron oxide, agricultural lime and char, and are expected to generate ~25% of revenue. These additional products significantly de-risk LMG's 'life-of-mine' revenue, turning LMG to a multi-commodity producer with a diverse customer base, at no incremental cost of production.



LMG will have strong near-term cash-flow, secured by offtake agreements. LMG's proposed 10ktpa Commercial Plant is expected to generate c.A\$135m in revenue and A\$47m EBITDA annually once operating at full capacity, which is targeted by 2026. 100% of offtake from the Commercial Plant will be sold, including to Metal Exchange Corporation in the US, in accordance with the Distribution Agreement signed in 2023². As an Australian producer of magnesium, LMG will not be subject to the export tariffs that the US currently places on Chinese magnesium imports.



Australia's first sustainable MgO production. LMG has proven its unique hydromet processes having successfully produced the first sustainable MgO in Australia in May 2024. LMG has commissioned its 1ktpa Demonstration Plant, which is proposed to be followed by its 10ktpa Commercial Plant where offtake agreements have been signed for 100% of capacity. The Commercial Plant is proposed to be followed by a 100ktpa plant in a low cost and renewable energy location at Samalaju, Sarawak, Malaysia.

(1) USGS, January 2023. (2) ASX announcement 16 January 2023, LMG executes upgraded USA Distribution Agreement.

Section Two
Equity Raising Overview



Equity Raising Overview

Offer Structure	<ul style="list-style-type: none"> The equity raising will consist of an institutional placement (Placement) and a proposed underwritten, non-renounceable entitlement offer (NREO or Entitlement Offer) (together, the Offer) to raise up to A\$18.0 million. The Placement is seeking to raise up to A\$12.0 million by issuing up to c.267 million shares at A\$0.045 per share (Offer Price). The Placement will utilise the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A. The Company reserves the right to accept oversubscriptions under the Placement, subject to available Placement capacity. The proposed underwritten NREO is seeking to raise up to A\$6.0 million by issuing c.133 million shares at the Offer Price, on the basis of one (1) New Share for every fifteen (15) existing shares at the record date of 6 June 2024. Ord Minnett intends to underwrite the NREO up to A\$6.0 million, subject to the execution of sub-underwriting agreements from qualifying investors and the lodgement of a satisfactory Prospectus, in accordance with the Offer timetable. Directors and management of the Company have committed to participate for a minimum of A\$500,000 across the Offer. Placement participation by Directors will be subject to shareholder approval at a general meeting of the Company to be held as soon as practicable (General Meeting).
Options	<ul style="list-style-type: none"> Sub-underwriters of the Entitlement Offer will receive one (1) option for every four (4) shares sub-underwritten (Sub-underwriter Options). The issue of Sub-underwriter Options may be subject to shareholder approval at the General Meeting. The unlisted options will have a maturity date three years from the date of issue, and a strike price of A\$0.079.
Offer Price	<ul style="list-style-type: none"> The Offer Price of A\$0.045 per New Share represents a: <ul style="list-style-type: none"> 19.6% discount to the last traded share price of A\$0.056 on 27 May 2024; 24.7% discount to the 5-day volume weighted average price of A\$0.060 as at 27 May 2024; 24.0% discount to the 15-day volume weighted average price of A\$0.059 as at 27 May 2024; and 16.8% discount to the Theoretical Ex-Rights Price of A\$0.054.
Ranking	<ul style="list-style-type: none"> New Shares issued under the Offer will rank pari passu with existing Latrobe Magnesium shares from the date of issue.
Use of Proceeds	<ul style="list-style-type: none"> Final structural works and commissioning of the Demonstration Plant, final engineering ahead of magnesium metal production, R&D, working capital.
Lead Manager	<ul style="list-style-type: none"> Ord Minnett is acting as sole lead manager and bookrunner of the Offer and underwriter to the Entitlement Offer.

Sources and Uses of Funds

Funds from the equity raising will be used for the final structural works and commissioning of the Demonstration Plant, final engineering ahead of magnesium metal production, and R&D currently being undertaken alongside CSIRO to optimise vertical retorts creating a cheaper, less energy intensive, more efficient production process

Sources and Uses of Funds

Sources of Funds	A\$m
Placement	12.0
Entitlement Offer	6.0
Total	18.0



Uses of Funds	A\$m
Demonstration Plant	13.0
Operating / corporate costs	1.9
Working capital	1.8
Offer costs	1.3
Total	18.0

Detailed Use of Funds

	A\$m
Magnesium oxide production	8.7

- Primarily structural, piping and mechanical services, electrical and instrumentation services, commissioning and civil / earthwork services. Costs are for contractors and services provided by various parties that form LMG's Strategic Supplier Program (**SSP**), who are tasked with Commercial Plant construction.

	A\$m
Metal production and R&D	4.3

- All equipment required to produce a magnesium metal has been acquired, with remaining costs quarantined to construction, cabling, connections and vertical retorts.
- LMG is currently undertaking a study alongside CSIRO on vertical retorts in an effort to optimise the thermal reduction process, ahead of use in the Commercial Plant.
 - This research and development expenditure is to identify an optimised and efficient process whereby costs are reduced (up to 25% less CO₂ emission and energy intensity) whilst potentially expanding production beyond nameplate capacity.

Equity Raising Timetable (Indicative)

Event	Date (AEST)
Trading halt	Tuesday, 28 May 2024
Placement and Entitlement Offer sub-underwriting bookbuild opens	10:00am, Tuesday, 28 May 2024
Placement and Entitlement Offer sub-underwriting bookbuild closes	5:00pm, Tuesday, 28 May 2024
Trading halt lifted – shares recommence trading on ASX.	Thursday, 30 May 2024
Entitlement Offer Prospectus lodged with ASX	Monday, 3 June 2024
'Ex' date	Wednesday, 5 June 2024
Record date for the Entitlement Offer	7:00pm, Thursday, 6 June 2024
Settlement of New Shares issued under the Placement	Friday, 7 June 2024
Allotment and trading of New Shares issued under the Placement	Tuesday, 11 June 2024
Dispatch of Entitlement Offer Prospectus	Wednesday, 12 June 2024
Entitlement Offer opens	Wednesday, 12 June 2024
Entitlement Offer closes	5:00pm, Wednesday, 3 July 2024
Announce results of Entitlement Offer	Friday, 5 July 2024
Settlement of New Shares issued under the Entitlement Offer	Tuesday, 9 July 2024
Allotment and issuance of New Shares issued under the Entitlement Offer	Wednesday, 10 July 2024
Trading of New Shares issued under the Entitlement Offer	Thursday, 11 July 2024
Dispatch of holding statements in respect of New Shares issued under the Entitlement Offer	Friday, 12 July 2024

Section Three

Corporate and Operations Overview



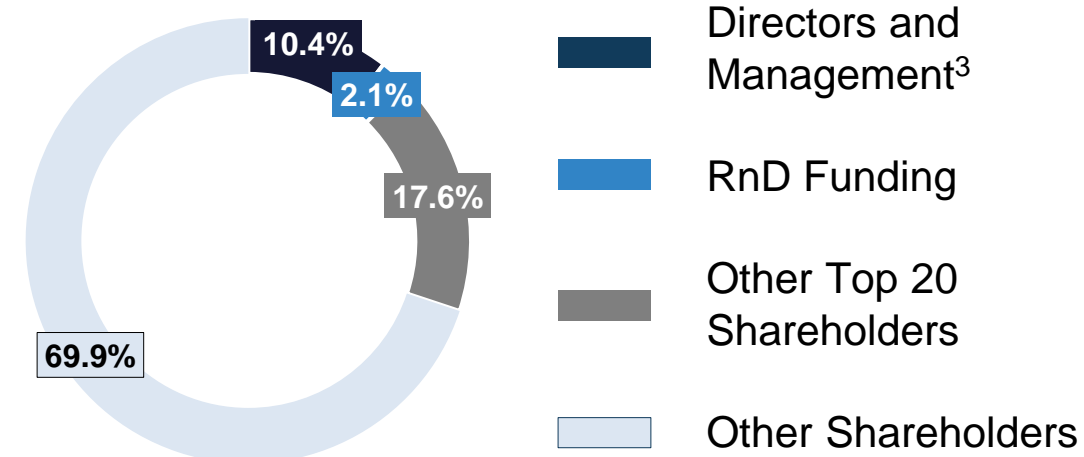
Corporate Overview

Latrobe Magnesium has recently received \$12.5m from the ATO in R&D rebates, with up to \$16m in further rebates expected to be received in CY24 intended to extinguish all remaining debt

Capitalisation Summary and Top Shareholders^{1,2}

ASX Ticker	LMG
Share Price	A\$0.056
Shares outstanding	1,936m
Unquoted Securities	98.0m
Market capitalisation	A\$108.4m
Net debt ²	A\$20.8m
Enterprise value	A\$129.2m

• Current debt (at 31 December 2023) of \$20.8m will be reduced by c.\$12.5m following the ATO rebate⁴



Board and Management



Jock Murray AO, Chairman

- ✓ Extensive financial background, including with NSW Department of Transport, The Hills Motorway (M2) and Terminals Australia.
- ✓ Prior to business, he had a distinguished military career.



David Paterson, CEO and Director

- ✓ Qualified non-practicing Chartered Accountant, including with Tricontinental Corporation and Coopers & Lybrand.
- ✓ Founding partner of the Latrobe Magnesium project and became CEO in 2005.



John Collier, CFO

- ✓ Extensive CFO and Commercial Director experience in infrastructure and construction (including with Sydney Metro and Western Sydney Airport), and professional services.
- ✓ Associate of CAANZ and member of the Australian Institute of Company Directors.



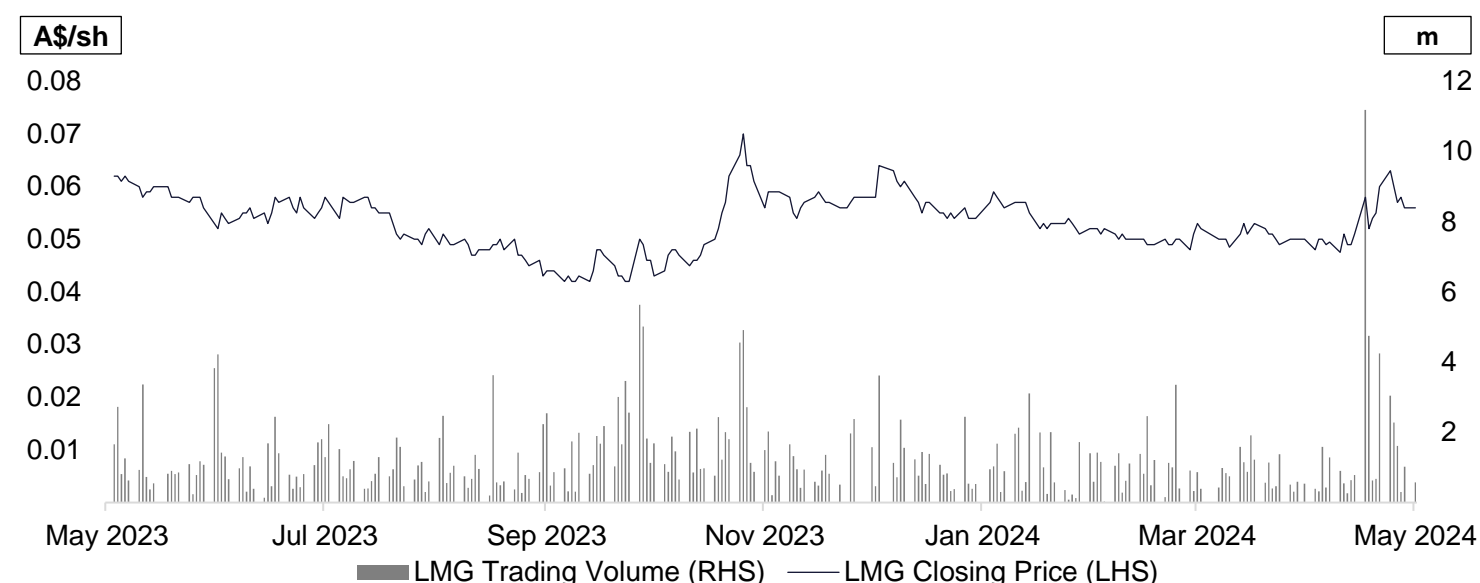
Ronan Gillen, COO

- ✓ Process engineer and project manager, with over 20 years; experience in the resources sector across Australia, China, Saudi Arabia and Korea.
- ✓ Operational experience with Rio Tinto, along with project management roles at Bechtel and Fluor.
- ✓ Holds an Executive MBA from Melbourne Business School.

Unquoted Securities⁵

On Issue	Ex. Price	Ex. Date
Code: LMGAC (Warrants)		
80,000,001	\$0.18-\$0.30	March-25 to June-27
Code: LMGAD (Options)		
15,000,000	\$0.10	23 May 2025
Code: LMGAE (Options)		
3,000,000	\$0.10	22 December 2025

12-mth Share Price and Volume¹

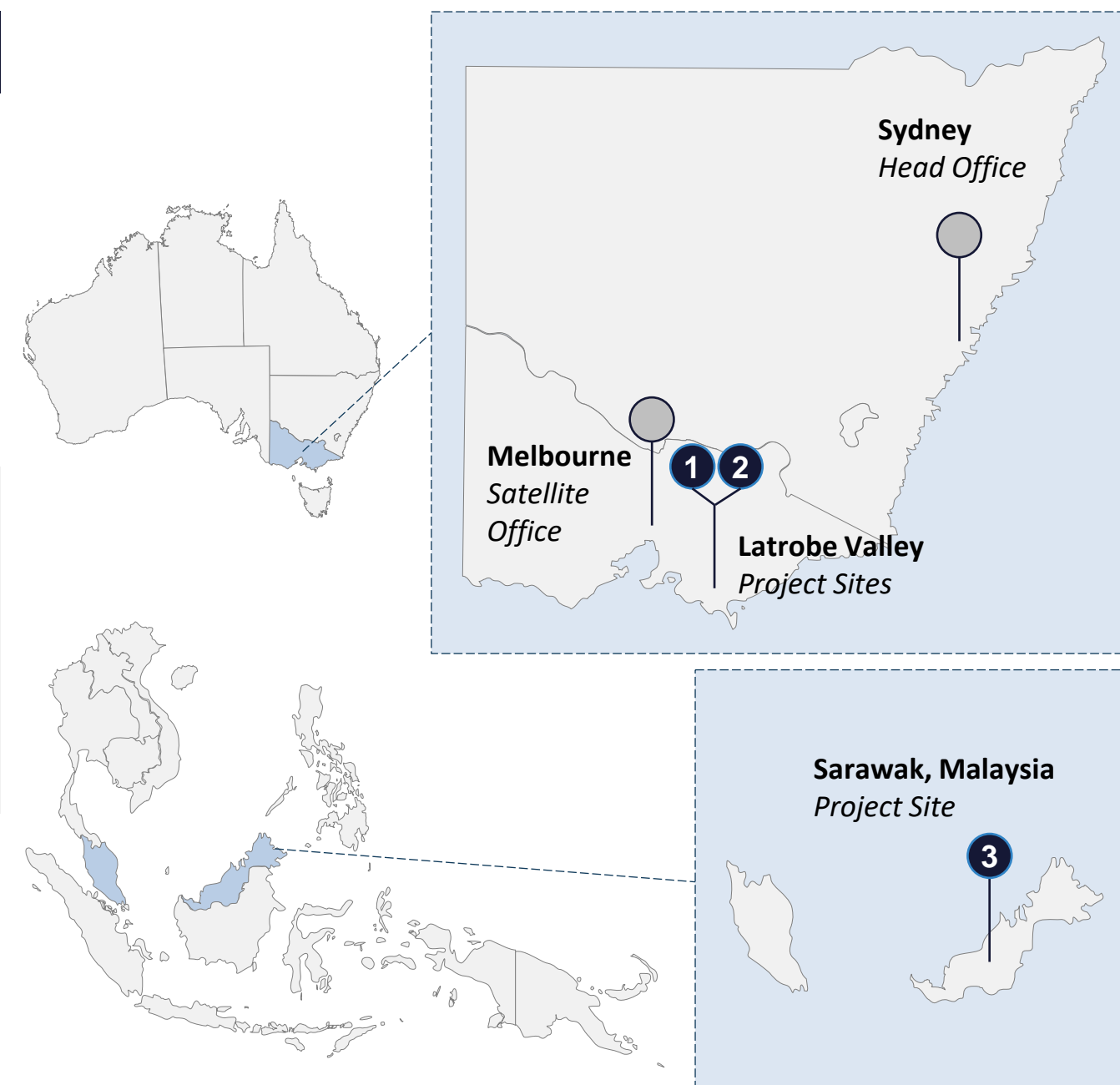


(1) As at 27 May 2024. (2) Cash as at 31 March 2024, debt as at 31 December 2023. (3) Does not include director participation in the Company's most recent capital raise that is subject to shareholder approval, per the ASX announcement on 26 February 2024. (4) Refer ASX Announcements on 17 May 2024 and 27 May 2024. (5) Refer ASX Announcement 29 June 2022 for full details of unlisted warrant terms.

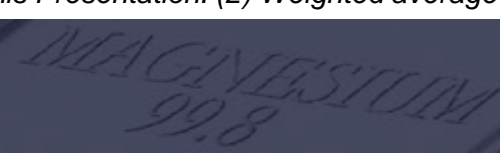
Operations Overview

LMG's hydromet process, developed over decades, holds unique international patents for the recovery of magnesium from brown coal fly ash and ferro nickel slag

Plant	Feedstock	Emissions	Financials ¹	Assumptions	Project Status
1 Demonstration Plant 1,000tpa Victoria, Australia	Fly Ash	Tonnes of CO ₂ per ton of Mg: 8.2	Capex: A\$52m Revenue: A\$11m p.a. EBITDA: Break even NPV: N/A	Revenue Mg Price: US\$7,165/t Cost of Production: Break even	<ul style="list-style-type: none"> Demonstration Plant recently commissioned and producing magnesium oxide. <ul style="list-style-type: none"> Initially producing magnesium oxide demonstrating LMG's unique hydromet process, before progressing to magnesium metal, achieved through this equity raising.
2 Commercial Plant 10,000tpa Victoria, Australia	Fly Ash	Tonnes of CO ₂ per ton of Mg: 6.6	Capex: A\$150m Revenue: A\$135m p.a. EBITDA: A\$47m p.a. NPV: N/A	Revenue Mg Price: US\$7,165/t Cost of Production: US\$[2,800 – 3,200]/t	<ul style="list-style-type: none"> BFS targeted for commencement in June 2024, with completion and FID targeted for December 2024. Production targeted from first half CY26. Offtake agreements in place for 100% of saleable magnesium metal products. Formal financing discussions have commenced.
3 International Mega-Plant 100,000tpa Sarawak, Malaysia	Ferro Nickel Slag	Tonnes of CO ₂ per ton of Mg: 4.0	Capex: A\$1.1bn Revenue: A\$1.16bn p.a. EBITDA: A\$495m p.a. NPV: A\$3.0bn	Revenue Mg Price: US\$4,233/t ² Cost of Production: US\$[2,000 – 2,400]/t	<ul style="list-style-type: none"> Further studies underway on ferro-nickel slag as feed stock. JV partner negotiations ongoing with MoU expected to be signed shortly.



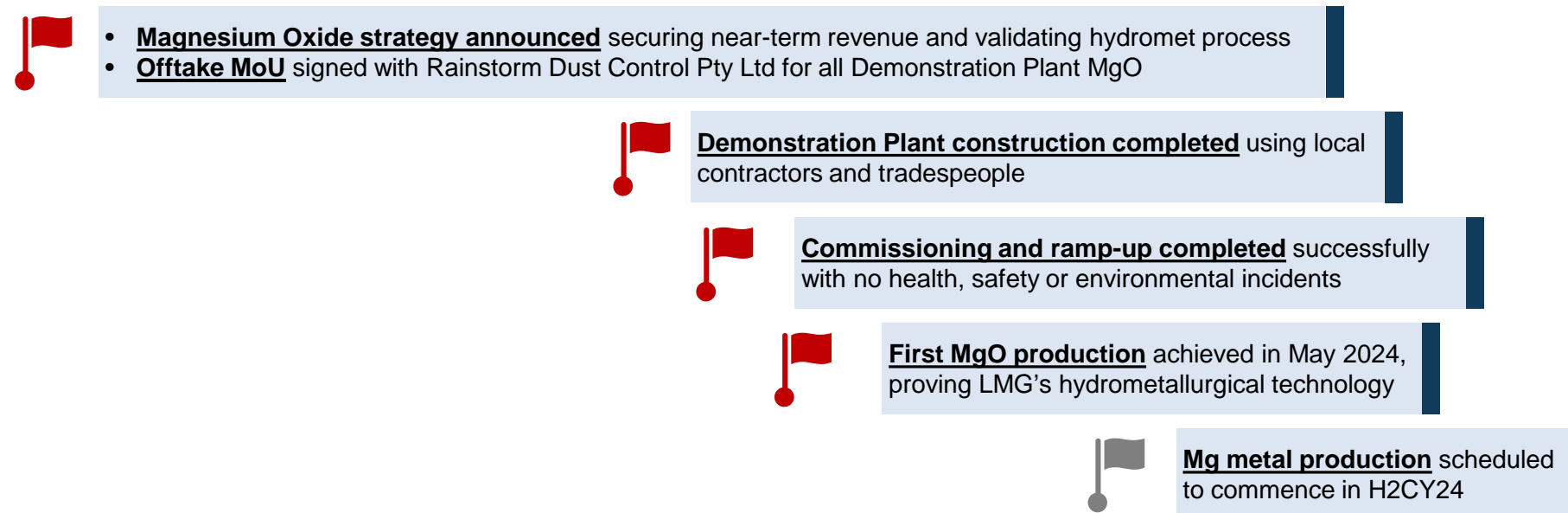
(1) The Demonstration Plant estimates have been determined internally by the Company pursuant to the feasibility study announced to the market on 2 September 2019, 23 September 2019 and 31 October 2019, whilst the Commercial Plant estimates have been determined by the Company's internal estimates based upon Demonstration Plant actual costs, subject to relevant cost escalations and the International Mega-Plant estimates have been determined by the Company on the basis of a pre-feasibility study conducted by Bechtel. These estimates are subject to the investment risks identified in Appendix A at the end of this Presentation. (2) Weighted average price assumption where 20% of production is sold at US\$3.25/lb and the remaining 80% is sold at China price of US\$3,500/t.



Achievements and Near-Term Milestones

Following first MgO production in May 2024, LMG will shortly produce magnesium metal ahead of Commercial Plant FID, targeted for calendar year's end

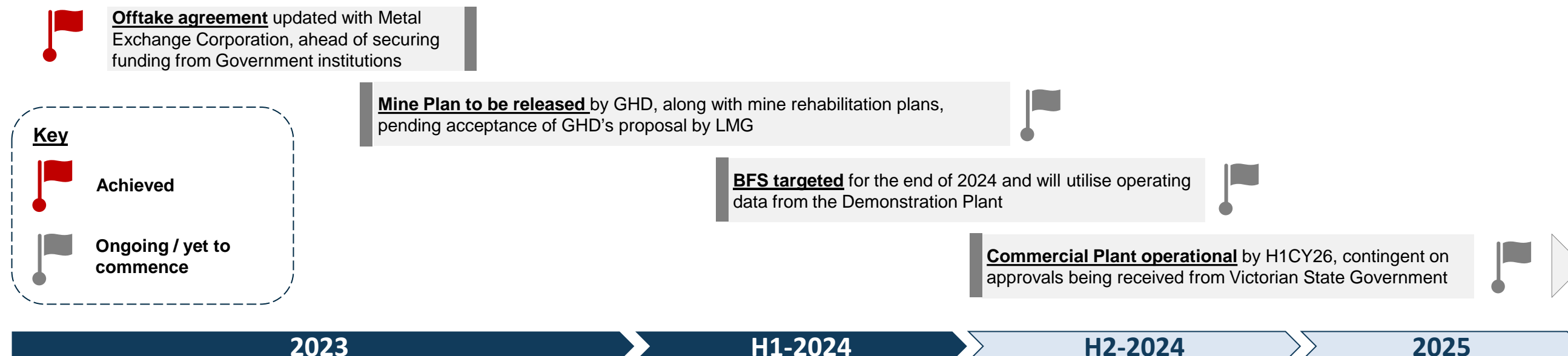
1 Demonstration Plant



Near-Term Milestones

- ✓ Finalise magnesium metal production capability at the Demonstration Plant
- ✓ Obtaining permit regarding mining licence at Yallourn to secure resource for the Commercial Plant
- ✓ Target completion of BFS in December 2024 ahead of FID

2 Commercial Plant



Key

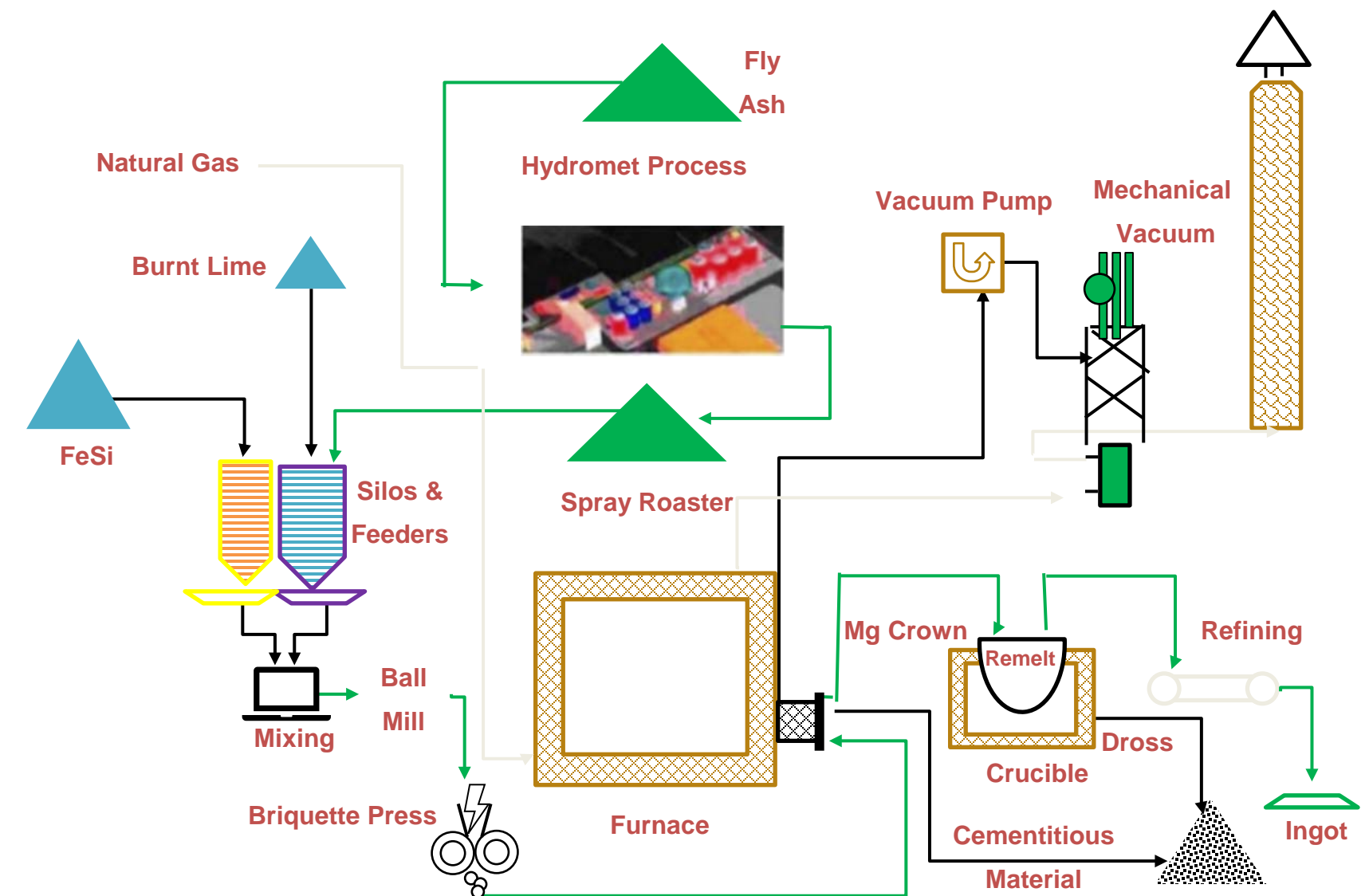
- Achieved
- Ongoing / yet to commence

Scalability of Operations

Latrobe Magnesium's patented hydromet process will be scaled to a 10ktpa Commercial Plant, ten times the magnesium output of the Demonstration Plant using a similar flow sheet. Key engineering, manufacturing and labour has been procured ahead of FID in December 2024

Process and Flow Sheet

- Latrobe Magnesium's 1ktpa Demonstration Plant has a similar flow sheet to the larger-scale 10ktpa Commercial Plant. Both utilise Yallourn's fly ash as feedstock - the product is then leached into a magnesium rich solution before being converted to MgO through a pyrohydrolysis process in a spray roaster.
- MgO is then combined with reagents to create briquettes, prior to being fed into a reduction furnace. The briquettes break down creating magnesium metal (99.99% magnesium).
- The Commercial Plant is to be constructed using a similar engineering and flow sheet to the Demonstration Plant, with upgrades to secondary products being the only difference. Equipment will be larger-scale, however, the scale required is not proportionate to the 10 times greater annual production of the Commercial Plant and therefore will be significantly relatively less capital intensive (~\$150 million – to be confirmed by bankable feasibility study).
- The Demonstration Plant was constructed by several local contractors, including Mechanical Maintenance Solutions Pty Ltd (structural, mechanical, and piping services), O&M Pty Ltd (electrical and instrumentation services) and Stirloch Constructions Pty Ltd (civil and earthworks services). These three contractors, amongst other vendors and suppliers being Tenova, Steuler-KCH Australia Pty Ltd, Fast Automation Pty Ltd, Coregas Australia, Stable Engineering, Custom Agency Services Pty Ltd, and Rockwell Australia Pty Ltd are formative of LMG's Strategic Supplier Program (SSP) for the Commercial Plant. The SSP will provide greater certainty of cost input and fast track information utilised in the feasibility study, which will inform the final investment decision, anticipated at calendar year's end.



Hydromet Process and Product

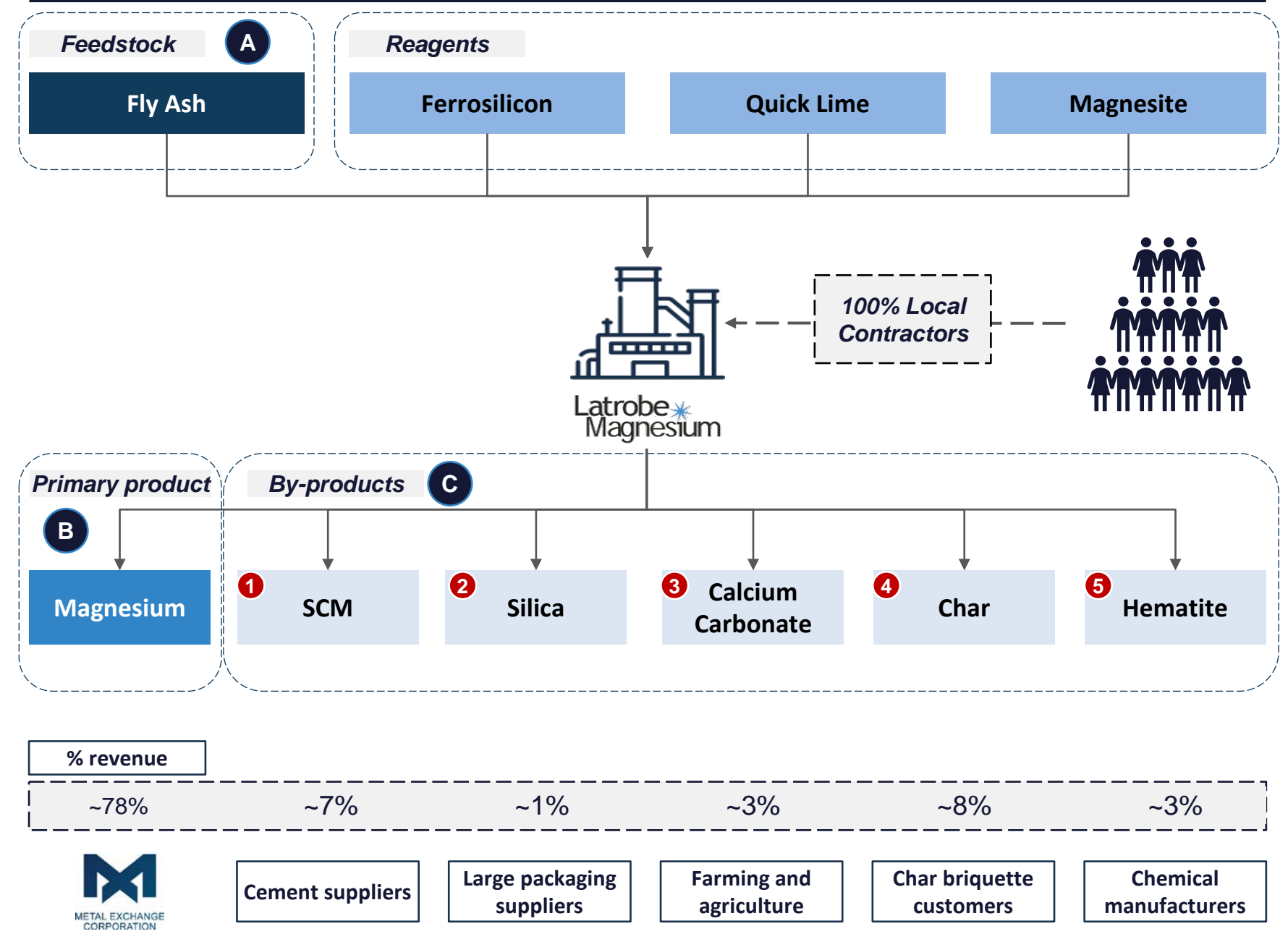
The Demonstration Plant has proved the patented hydromet process, de-risking the technology ahead of Commercial Plant FID, targeted for December 2024

Patented Process and Product Overview

Fly ash is leached with acid solution during the leaching process, minerals are extracted and the product is refined downstream to create a magnesium with associated saleable by-products. The patent mainly involves the hydromet process, which essentially takes the fly ash or ferro nickel slag (magnesium rich waste feedstock) and extracts magnesium.

- A Fly Ash**
Fly ash will be supplied from the Yallourn Power Station which will produce sufficient feedstock over the next five years to supply a 10ktpa plant for over 20 years, in addition to current deposit inventories.
- B Magnesium**
Latrobe's Commercial Plant will produce up to 10ktpa of magnesium metal sold primarily to the US, under existing offtake agreements, with only 6.6t of CO₂ produced per ton of magnesium.
- C By-products**
In addition to the magnesium metal production, the Commercial Plant will produce several by-products accounting for ~25% of revenue.
 - 1 **SCM** – 5.8 tonnes of SCM will be produced per tonne of magnesium, with the SCM representing similar chemistry and mineralogy (based on recent fly ash testwork) as Portland cement, meeting required grades and standards for use in public infrastructure civil projects
 - 2 **Silica** – high-grade silica used for glass manufacturing
 - 3 **Calcium carbonate** – agriculture lime used in fertilisers for farming and agriculture use
 - 4 **Char** – biofuel used for heat bead manufacturing or sustainable pulverised coal in steel mills
 - 5 **Hematite** – high-grade iron product used as a feedstock for steel manufacturing or as a water flocculant

Flow Sheet – Demonstration and Commercial Plant



Demonstration Plant

Construction of the Demonstration Plant has recently been completed, validating Latrobe's patented MgO processing capabilities. LMG expects early revenue through the sale of magnesium products from the pilot testing

Demonstration Plant Construction

- LMG has recently produced the world's first MgO production from brown coal fly ash on 12 May 2024. This has proven the Company's patented hydromet process whilst facilitating generation of early revenue through sales of the pilot product ahead of magnesium metal production in the coming months.
- Construction and commissioning of the ash handling, process and raw water, potable water and water treatment plants are all complete. These components of the Demonstration Plant will be used for both MgO and magnesium metal production.
- Construction and commissioning of the remaining plant areas (to produce a final magnesium metal) include the briquetting system, reduction furnace area, and the furnace automation and vacuum systems, which are expected to be completed in the coming months.
- The Demonstration Plant will (with very minor capital and engineering changes) be used as a pilot plant for the ferro nickel slag feedstock ahead of international Mega-Plant construction.



Ash Handling



Acid Leach



Spray Roaster



MgO Bagging

Demonstration Plant capital to MgO production

A\$52.0 million



Additional capital required to produce magnesium metal

~A\$5.0 million



Total expected Demonstration Plant capital requirement

~A\$57.0 million

Commercial and International Mega Plant

Latrobe Magnesium is in discussions with debt providers and strategic investors for both the Commercial Plant in Australia and the International Mega-Plant, anticipated to be located in Sarawak, Malaysia

Debt



- Societe Generale has been appointed global financial advisor for the Commercial Plant debt component.



- 100% of Magnesium offtake from the 10ktpa Commercial Plant has been contracted, with product being sold to Metal Exchange Corporation in the USA.



- Discussions are ongoing with Australian and International governments and state-owned funding groups, who have expressed interest in funding both the Commercial Plant and International Mega-Plant.

Equity



- LMG have retained the services of Faraday Associates to conduct a global search for an appropriate strategic investor. Ideally it will be a well capitalised fund that is looking to make a strategic investment in critical minerals and is prepared to take up to a 15% shareholding in LMG as part of the Commercial Plant funding process. LMG is separately in discussions with multiple international funds to take a strategic equity stake in the Company.
- Ord Minnett is acting as Sole Lead Manager to the current equity financing round and has expressed interest in raising the equity required for the Commercial Plant.
- LMG is speaking to multiple strategic investors about taking a max. 45% equity interest in the International Mega-Plant, with LMG retaining the majority share. Based on early-stage discussions, these parties are also likely to be interested in offtake for up to half of its production.

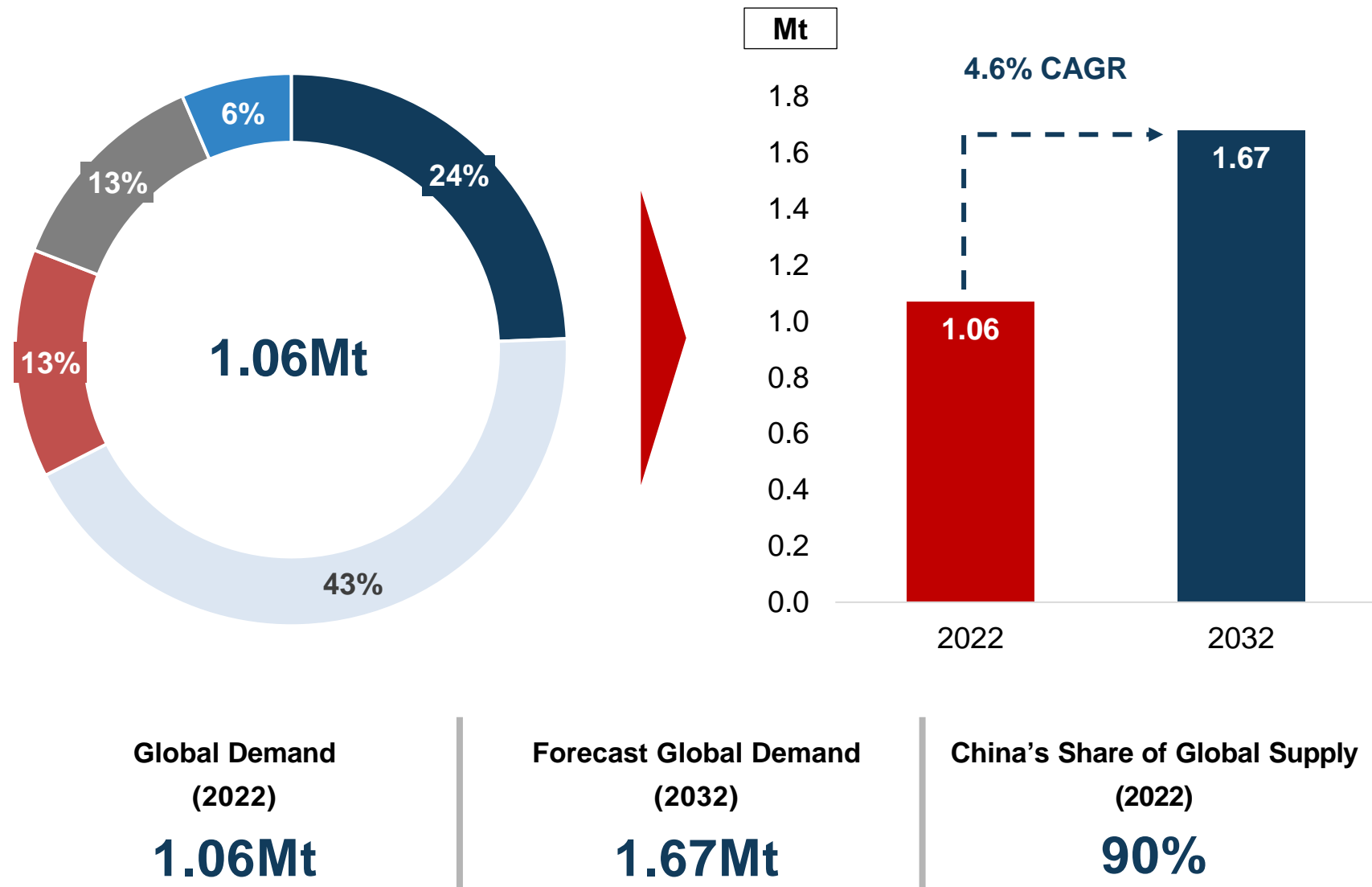
Section Four
Market Overview



Magnesium: The Critical Green Mineral

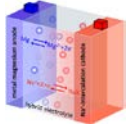


Magnesium is a critical input to auto-vehicles to reduce vehicle weight and improve efficiency, especially in electric vehicles

Global Magnesium Demand and Magnesium Consumption by Market Sector (2022)¹



End-Use	Overview
Auto Die Casting	<ul style="list-style-type: none"> Magnesium castings are used for weight savings in vehicles, either in structural (e.g., steering columns) or non-structural (e.g., EV motor housings) applications. Magnesium is preferred over aluminium for structural applications due to its strength.
Alloying (inc. Aluminium)	<ul style="list-style-type: none"> Magnesium is alloyed with aluminium sheet to increase strength and corrosion resistance, primarily in the packaging (e.g., food cans), transport (e.g., airplane exterior) and construction industries.
Steel De-Sulphuring	<ul style="list-style-type: none"> Magnesium is added to molten steel in a blast furnace to reduce the metal's sulphur content and produce magnesium sulphide.
Metal Reduction	<ul style="list-style-type: none"> Magnesium metal is used to reduce titanium tetrachloride, thereby producing titanium metal and magnesium chloride.
Other	<ul style="list-style-type: none"> Other uses for magnesium include corrosion protection, batteries (albeit an emerging technology), pyrotechnics and steel galvanising.

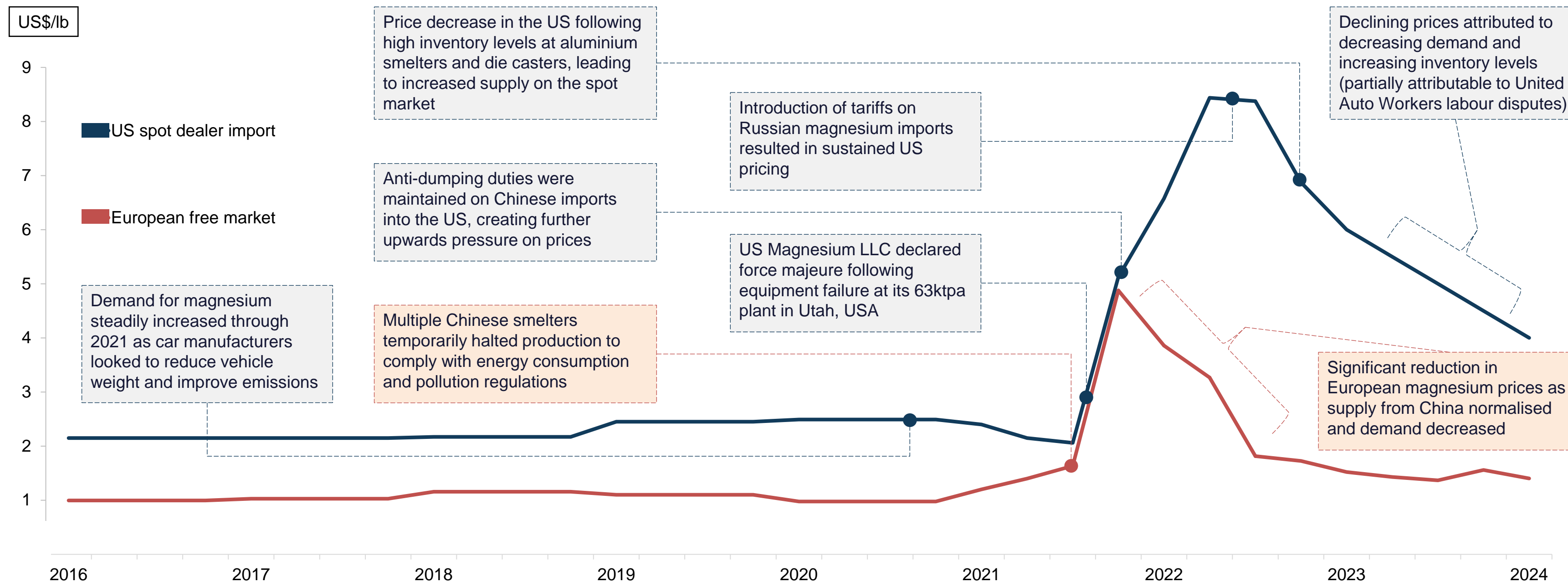
Future Uses – Is Magnesium the new Lithium?

- 
 Harvard researchers have found that magnesium solid state batteries could replace lithium-ion batteries given their extended lifespan (6,000 vs 1,000 cycles) and improved charging times.²
- 
 Auto gigacasting refers to casting car bodies in one piece (which is c.20% cheaper than current production). Magnesium also provides better castability than aluminium and copper.³
- 
 Magnesium hydride may represent a safe, efficient and simple solution for storing Hydrogen.⁴

(1) CM Group, September 2022. (2) Energy Monitor, 11 March 2024. (3) Nikkei Asia, 9 July 2023. (4) Mining.com, 4 March 2024

Magnesium: Annotated Pricing

Current magnesium spot prices remain significantly higher than long-term averages, reflecting supply chain concentration risks



Source: Adapted from United States Geological Service data.

Magnesium: Pricing Environment

Magnesium is generally traded under offtake agreements which are reviewed annually, with pricing often being within +/- 10% of the relevant spot price¹. Future prices are often volatile and frequently subject to geopolitical tensions

Pricing Overview¹

- Magnesium pricing is less transparent than metals such as exchange-traded aluminium or copper, with prices set directly through offtake agreements.
- Magnesium ingots have standardised purities of 99.8% to 99.99% pure magnesium. Common impurities include iron, silicon, nickel and copper.
- Higher purity ingots are required for die-casting and alloying end-uses whereas steel desulphurisation purity requirements are not as high.

Magnesium and Alloy Pricing¹

Standard magnesium alloys (such as AZ91) are priced by adding a premium to the pure magnesium metal price, reflecting the costs of alloying the metal.

No premium pricing for green magnesium but the future opportunity exists for LMG.

Offtake Terms¹

Offtake agreements will typically set conditions for price, contract term, quality and purity, packaging requirements, delivery and settlement method, and the process for contract dispute resolution.

Anti-Dumping Tariffs²

- In 1995, the U.S. International Trade Commission (**USITC**) instituted anti-dumping tariffs on pure magnesium exports from Russia and China in response to complaints that domestic US manufacturing was being harmed by magnesium being sold at 'less than fair value'.
- The tariffs imposed on Russian magnesium exports were revoked in 2000 (upon the first five-year review of the tariffs), but tariffs on Chinese imports have continued. Citing data from the U.S. Geological Survey, the report found that China's capacity utilisation rate in 2020 was less than 50%, with China's excess capacity being greater than the US' entire consumption during that year.
- As a result, in its fifth five-year review, the USITC determined that revoking the existing duties would be damaging to the domestic US magnesium industry, and therefore, the 108.26% tariff on pure magnesium imports from China would remain in place.

Pricing Risks

Due to the concentration of global magnesium supply (90% of global supply in 2022 came from China), changes to the Chinese domestic regulatory landscape (such as environmental laws) or the introduction of protectionist trade policies (including under the guise of increasing environmental standards), could have a major impact on global magnesium prices.

(1) CM Group, September 2022. (2) U.S. International Trade Commission, Investigation No. 731-TA-696 (Fifth Review), May 2023.

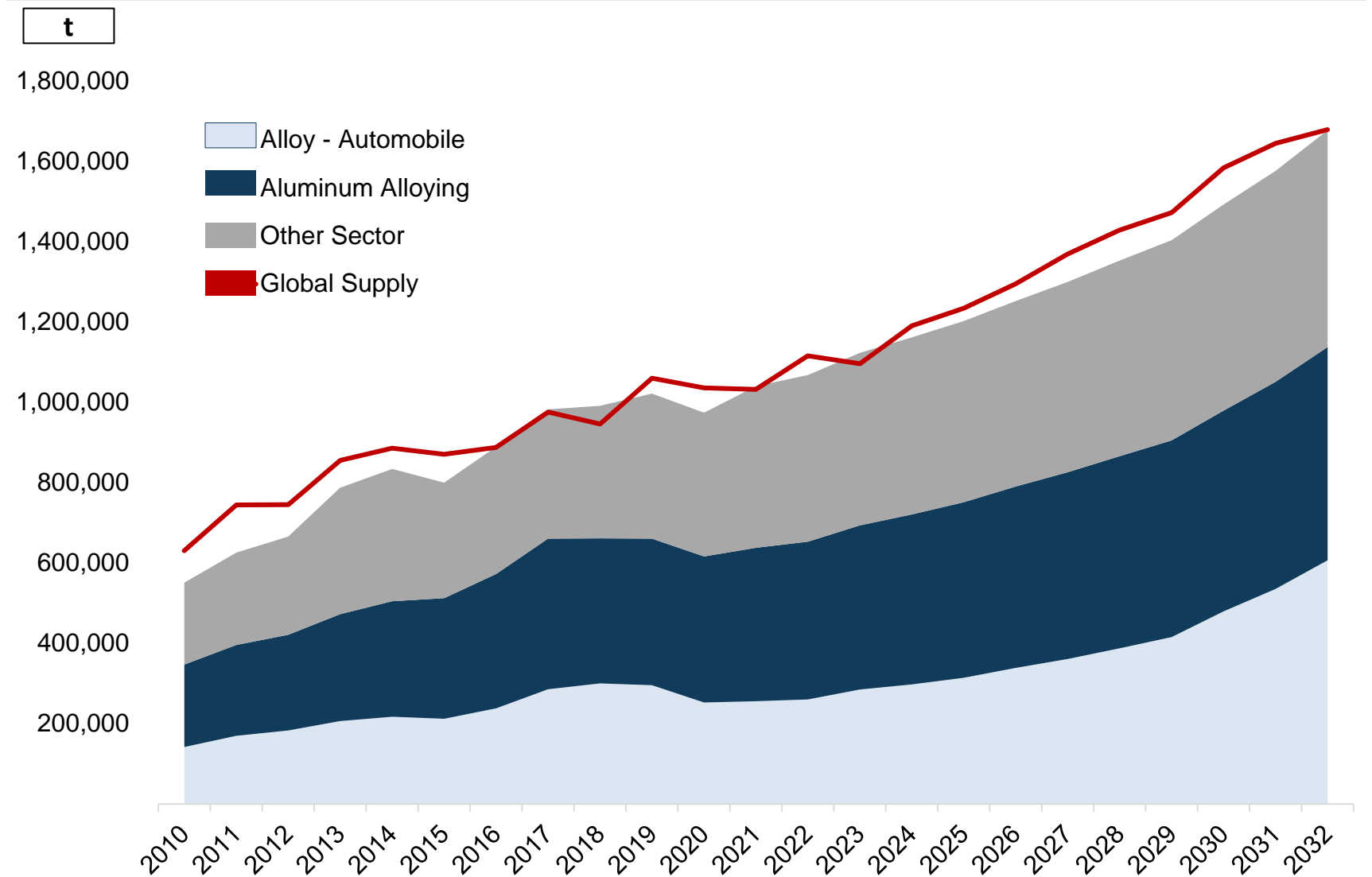
Magnesium: Demand Outlook

Historically, aluminium alloying has been the largest single application for pure magnesium, with beverage cans the primary consumer. Over the medium to long-term, there is expected to be a significant growth in magnesium demand from the automotive sector, particularly from the uptake of aluminium auto body sheets

Demand Themes

- Historically, magnesium demand has demonstrated a reasonable correlation with GDP growth, although occasionally deviating as new applications have emerged as a result of exogenous supply shocks.
- Global demand for magnesium is expected to grow at 4.6% (CAGR) between 2022 and 2032. Growth in the automotive sector (die casting) is expected to be a significant global demand factor, largely driven by the rapid uptake of aluminium auto body sheets. There is also a trend towards light material mixed components, where magnesium is a preferred choice. It is expected that China's automotive market will remain smaller in terms of magnesium consumption relative to the combination of Europe and North America over the medium term, with the magnesium content of Chinese vehicles ~55% that of North American vehicles.
- Significant demand growth is also expected in alloying, which includes the packaging (sheet for beverage and food cans, aerosol) and transport sectors (automotive sheets and cast alloys), with increasing magnesium content for each (between 0.5% and 5.0% magnesium is added to aluminium to increase strength and corrosion resistance). There is currently no economic substitute for magnesium in aluminium alloying.
- Overall, global magnesium demand remains critically dependent on China's economic growth, with vehicle numbers and magnesium content key determinants of both auto sector and wider magnesium applications. The emergence of EVs is likely to have an increased effect on auto sector demand with EV manufacturers seeking to reduce curb-weight, as the lithium battery significantly increases the weight of an EV.

Historical and Forecast Global Magnesium Demand (2010-2032)¹



(1) CM Group, September 2022.

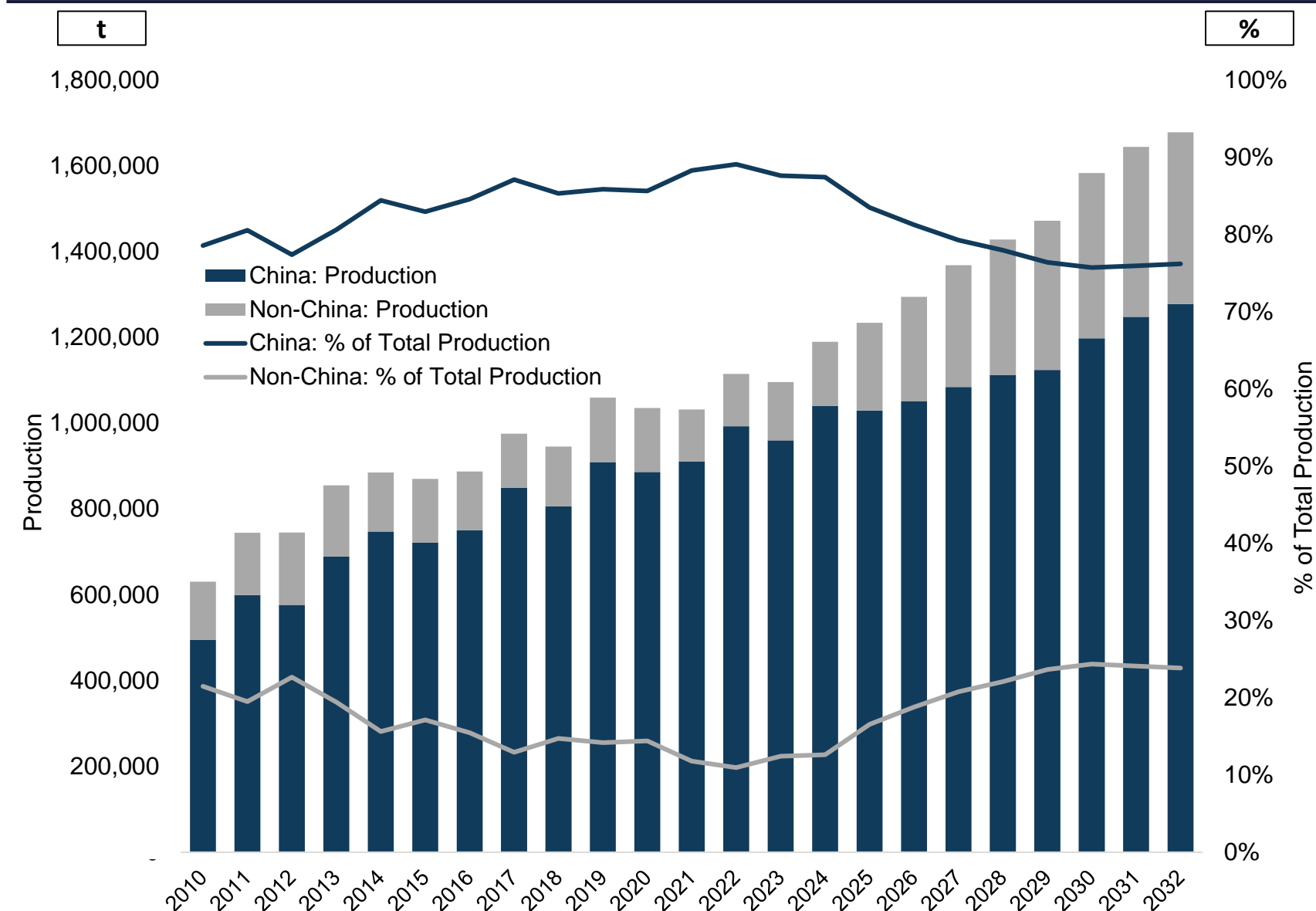
Magnesium: Supply Outlook

Global critical minerals policies, higher policy-driven prices in response to China's production cost base, and inherent risks associated with China's dominance of the market are expected to result in the proliferation of new primary magnesium projects

Supply Themes

- Despite China's likely continued dominance over the magnesium market, it is expected their cost advantage will erode given increasing prices across energy, labour and raw materials as these markets transition to considerably higher cost bases.
- There has been an increasing global consumer push for greater commitments from suppliers and manufacturers to transparency, decarbonisation and responsible sourcing. Chinese magnesium producers are being put under increasing environmental compliance pressure, which further erode their dominant supply position and opens the door to new global supply.
- Furthermore, new policies setting limits on semi-coking production and reducing waste energy available for magnesium production will reduce production from China. Capacity is expected to be reduced as closures of semi-coke producers feeding some plants, and a failure by others to meet environmental protection standards, compound the high costs associated with installing and operating equipment.
- Given these dynamics, it is expected that over the long-term China will continue to dominate global primary magnesium supply, given the likelihood of low-cost energy being made available to integrated magnesium producers and the relatively low capital costs required. However, global critical mineral policies incentivising regional projects to meet self-supply, China's higher cost base and policy-driven closures, and the risks associated with China's dominant single-country supply status is expected to result in a proliferation of new ex-China primary magnesium projects.

Global Primary Magnesium Supply Outlook (2010-2032)¹



(1) CM Group, September 2022.

Section Five
Summary



Summary

Latrobe Magnesium: A future globally significant Australian producer of sustainable magnesium metal

- 1 Demand and regulatory support:** Supportive macro-outlook and legislative support for magnesium, where global demand is expected to grow at 4.6% (CAGR) between 2022 and 2032. Very little supply in the global pipeline, where Latrobe constitutes one of the only genuine developers
- 2 Sustainable production:** 50%++ reduction in CO₂ emissions relative to China-based magnesium producers achieved through patented CO₂-sequestering hydromet technology more than 20 years in the making
- 3 Commodity diversity and cash flow generation:** Significantly de-risked and scalable cash flow profile through production of multiple saleable commodities
- 4 Defined pathway to production:** Clear pathway and short time horizon to Commercial Plant production, with mine plan and BFS expected well within CY2024. The Commercial Plant is expected to generate c.A\$135m in revenue and A\$47m EBITDA annually once operating at full capacity
- 5 Balance sheet strength:** Strong pro-forma balance sheet as a result of the Equity Raising, with funds sufficient to reach Commercial Plant FID. Additional expectation to extinguish all remaining debt by December 2024 upon receipt of an expected c.\$16.0m ATO research and development rebate

Appendix A
Key Risks



Key Risks

Set out below are the principal risks and uncertainties associated with LMG and its subsidiaries, which are likely to have an effect on LMG's future financial prospects. The risks do not constitute an exhaustive list of all risks involved with an investment in the Company. It is not possible to determine the likelihood of these risks occurring with any certainty. If one or more of these risks materialise, LMG's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely impacted.

(1) Requirements for Capital

LMG's capital requirements, including in relation to the development of the Demonstration Plant, will depend on numerous factors, including the degree of success of its planned production activities, its ability to generate income from its operations, prevailing commodity prices, market conditions and possible acquisitions or other corporate opportunities. Ramp up and production costs will reduce LMG's cash reserves. Those cash reserves may not be replaced if future or existing operations or other acquisition opportunities prove unsuccessful or perform below expectations.

LMG would then be dependent on seeking additional capital elsewhere, through equity, debt or joint venture financing, to support long-term evaluation and development of its projects. No assurance can be given that LMG will be able to procure funding (if required) in a timely manner on terms acceptable to it. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If LMG is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations which may adversely impact LMG, or it may not be able to secure opportunities to acquire new projects or other corporate opportunities.

Specifically, undertaking the Commercial Project and the International Mega-Project will require significant capital investment and whilst LMG is actively engaged with potential strategic partners and interested parties, there is no assurance that satisfactory arrangements will be entered into to enable the progression of those projects.

(2) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on LMG's Board and executive team. There can be no assurance given that there will be no detrimental impact on LMG if one or more of its directors (**Directors**) or key executives no longer works with LMG.

(3) Risks Relating to LMG's Financial Instruments

LMG's principal financial instruments currently comprise cash and short-term deposits, the main purpose of which is to finance LMG's operations. LMG has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from LMG's financial instruments are credit risk, interest rate risk and liquidity risk:

- A. Credit Risk:** LMG trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the results being that LMG's exposure to bad debts is not significant. Credit risk arises from the financial assets of LMG, which comprise cash and cash equivalents and trade, other receivables and other financial assets. LMG's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. No collateral is held as security.
- B. Interest Rate Risk:** LMG's exposure to the risk of changes in market interest rates relates primarily to LMG's cash and cash equivalents with a floating interest rate.
- C. Liquidity Risk:** LMG's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls, to ensure that such obligations do not exceed cash held and known cash inflows for a period of at least 1 year. LMG has limited financial resources and may need to raise additional capital from time to time and such fund raisings will be subject to factors beyond the control of LMG and its directors. When LMG requires further funding for its programs in the future, then it is LMG's intention that the additional funds will be raised by any one or a combination of the following: project finance, placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public and, where appropriate, debt. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be LMG's intention to meet its obligations by either partial sale of LMG's interests or farm-out, the latter course of action being part of LMG's overall strategy.

Key Risks

(4) General Economic Climate

General economic conditions, movements in interest rates and inflation rates, currency exchange rates and commodity prices may have an adverse effect on LMG's potential for future development and production activities, as well as the ability to fund those activities. If activities cannot be funded, there is a risk operations may have to be ceased. Furthermore, share market conditions may affect the value of LMG's quoted securities regardless of operating performance. Share market conditions are affected by many factors such as general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities. LMG's future revenues, the economic viability of its projects, the market price for its listed securities, and its ability to raise future capital may be affected by these factors, which are beyond LMG's control.

(5) Political Risk, Commodity Price Volatility and Exchange Rates Risks

The revenue that may be derived through the sale of commodities exposes potential income to commodity price and exchange rate risks and any profits will be exposed to changes in the taxation or royalty regime in Australia. Commodity prices fluctuate and are affected by many factors beyond the control of LMG. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macroeconomic factors. LMG revenues are exposed to fluctuations in the commodity prices. Volatility in the magnesium price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are retained despite a fall in the spot magnesium price.

The risks associated with such fluctuations and volatility may be reduced by any magnesium price hedging that LMG may undertake. A declining magnesium price can also impact operations by requiring a reassessment of the feasibility of operating plans and certain projects and initiatives. The commencement of development projects can potentially be impacted by a decline in commodity prices. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on LMG's results of operations and financial condition. Furthermore, international prices of various commodities are denominated in United States dollars, whereas some of LMG's income and the majority of its expenditure will be in Australian dollars, exposing LMG to fluctuations in the exchange rate between the United States dollar and the Australian dollar, as determined by international markets.

(6) Permits and Approvals Risks

Companies engaged in the development and operation of processing facilities are subject to increased costs, production and other scheduling delays resulting from the requirement to comply with applicable environmental and planning laws, regulatory requirements and permitting. LMG can give no assurance that relevant approvals and permits required to commence construction, development or operation of future expansions will be obtained. Additionally, future business plans and budgets are underpinned by the assumption that relevant regulatory approvals are obtained in a timely manner.

(7) Environmental Risks

The operations and proposed activities of LMG are subject to both Australian Federal and State laws and regulations concerning the environment. As with most mineral processing operations, activities are expected to have an impact on the environment. LMG intends to conduct its activities in compliance with relevant environmental laws and approvals in order to minimise damage to the environment and risk of liability. However, as with all processing activities, LMG's operations are expected to have an impact on the environment. There are also risks inherent in LMG's activities including accidental leakages, spills, or other unforeseen circumstances that could subject LMG to extensive liability.

Further, LMG may require approval from relevant regulatory authorities before undertaking activities that are likely to impact the environment. If LMG fails to obtain such approvals, it will be prevented from undertaking those activities. LMG also cannot predict what changes in legislation and regulations may govern mineral processing and may impose significant environmental obligations on LMG including bonding. No assurances can be given that new environmental laws, regulations or stricter enforcement policies (including increased fines and penalties for non-compliance), once implemented, will not oblige LMG to incur significant expenses and undertake significant investments which could materially and adversely affect LMG's operations, financial condition and performance.

Key Risks

(8) Change of Production Risks

The capacity of LMG to achieve production will depend on a wide range of factors including capital costs and operating costs that may be applicable to the individual projects and the capacity of the Group to fund those costs. If production is achieved, unanticipated problems may increase operating costs and reduce anticipated recovery rates.

(9) Contract Risks

LMG operates through a series of contractual relationships with consultants, operators and sub-contractors and may sell production through various marketing contracts. All contracts carry risks associated with the performance by the parties of their obligations and the time and quality of works performed. To the extent that third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

Some contracts (including memorandums of understanding) may also be subject to satisfaction of identified matters within identified timeframes. Whilst the Company is able to, and will take all steps to, manage these milestones (and the expectations of the benefiting counter party) these contracts may be subject to termination rights if these milestones are not met, which may have an adverse consequence for the Company. An example is the offtake agreement with Metal Exchange Corporation, which requires the Company to demonstrate that it can produce the required product by the end of September 2024. The Company is confident that it can meet this milestone or can otherwise manage the relationship with Metal Exchange Corporation if the milestone needs to be extended.

The Company is also exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

(10) Production and Cost Estimates

The operations and assets of LMG, as with any other mineral processing operations, are subject to a number of uncertainties, including in relation to metallurgical recovery, actual realised values and grades of stockpiles (which are to date estimated), operational environment, funding for development, regulatory changes, weather, accidents, difficulties in operating plan and equipment and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

(11) Equipment and Supplies

The price and availability of resources required for LMG's operations (such as electricity) may change from time to time, and this may materially impact the operations, financial position and profitability of LMG. LMG requires certain consumables, spare parts, plant and equipment and construction materials for its operating activities. Any delay, lack of supply or increase in price in relation to such equipment and material could have a material and adverse impact on LMG.

(12) Operational Risks

The growth of the Company is dependent upon the ability of the Company to transition the operations of the Demonstration Plant into the development and conduct of the Commercial Plant and the International Mega-Plant. The progression to the Commercial Plant is subject to the completion of a bankable feasibility study to be undertaken by the Company during 2024 (subject to funding requirements being satisfied) and a final investment decision to be made by the Company, potentially by the end of 2024. This decision is itself subject to the Company securing satisfactory funding to proceed with the development of the Commercial Plant and to the issue of various approvals by the State Government of Victoria to construct and operate the plant. There is no assurance that the Company will be able to proceed with the development of the Commercial Plant. If LMG is unable to proceed with the development of the Commercial Plant within a certain time period or at a reasonable cost, this could adversely impact the economic viability of the Company.

The Company is also looking to grow the operations of the Company by the development of the International Mega-Plant. The ability to proceed with the International Mega-Plant in Malaysia is dependent upon further examination by the Company of the use of Ferro Nickel Slag as the feedstock for that project, the identification of a suitable financier or joint venture partner, and securing an appropriate site for the project, as well as obtaining the necessary approvals to construct the plant. There is no assurance that the Company will be able to proceed with the development of the International Mega-Plant.

Key Risks

Processing activities, including those carried out at the Demonstration Plant, carry risk and as such, activities may be curtailed, delayed or cancelled as a result of a number of factors outside LMG's control. These include technical difficulties, securing and maintaining inputs, weather and construction of efficient processing facilities. The operation may be affected by force majeure, fires, labour disruptions, and the inability to obtain adequate machinery, engineering difficulties and other unforeseen events. In addition, LMG's processes have not been tested beyond pilot scale and the robustness of the process has not been demonstrated over the long term and there is the risk that there may be unforeseen maintenance and operation issues which impact the viability of the process for large scale commercial application. LMG will endeavour to take appropriate action to mitigate these operational risks (including by properly documenting arrangements with counterparties and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on LMG's performance and the value of its assets.

(13) Estimates of Financial Outcomes

Estimates of capital and other financial projections contained in this Presentation have been determined and assessed by the Company as detailed in its announcements regarding its feasibility study on 2 September 2019, 23 September 2019 and 31 October 2019 and are indicative only. The Company does not guarantee that the financials outcomes for the business operations will achieve the estimated outcomes.

The Company's assessment and estimate of its research and development tax rebate for the year end 30 June 2024 (of approximately \$16 million) is based upon the methodology for the determination of the ATO approved research and development tax rebate for the year end 30 June 2023. The ATO has not yet made a determination of the research and development tax rebate for the year ended 30 June 2024 and there is no assurance that the amount of the rebate will be as estimated by the Company. If LMG does not receive the research and development tax rebate, or if the amount received is lower than estimates, this could adversely affect LMG's operations and financial performance.

(14) Infrastructure and Transportation

As or when LMG is in production stage, the products will need to be transported to customers domestically and internationally. The transportation process involves risks, including the location of LMG's projects. Fuel costs, unexpected delays (including through inclement weather and climate change and accidents) could materially affect LMG's financial position and profitability. Moreover, there are risks associated with the availability of adequate transportation facilities (e.g. road, railway, port) and obtaining approvals to access these facilities (including the timing and conditions on which access may be granted). If LMG cannot access the required infrastructure within a certain time period or at a reasonable cost, this could adversely affect LMG's operations and financial performance. The price of transportation is market driven and can vary throughout the life of each project. These may also impact on the overall profitability of LMG.

(15) Technology/IP

LMG relies upon its technology and know-how and there can be no assurance that other parties may not attempt to imitate or develop technology and know-how that competes with LMG. There is an inherent risk with technology that patents may be invalidated by a third party or may gain access to unpatented know-how or trade secrets. No assurance can be given that other parties will not be able to independently develop the same or similar technologies on their own or through access to trade secrets. There can also be no assurance that LMG's technology will not be superseded by superior technologies which may impact the attractiveness of the products to existing or new customers and affect the viability of the Company.

(16) Reliance on Information Systems

LMG relies on computer, information and communications technology and related systems for the purpose of the proper operation of the administrative and compliance aspects of its business. From time-to-time LMG experiences occasional system interruptions and delays. LMG has implemented processes to respond to system interruptions and delays. However, if it is unable to regularly deploy software and hardware, effectively upgrade its systems and network and take other steps to maintain or improve the efficacy and efficiency of its systems, the operation of such systems could be interrupted or result in the loss or corruption of data.

Moreover, LMG's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organised cyber-attacks and other security problems and system disruptions. LMG relies on accepted security measures and technology to maintain the security of its computer systems, however the risks of being attacked remain. An unauthorised user who circumvents LMG's security measures could misappropriate confidential or proprietary information or cause interruptions normal functions in LMG's operations which may require LMG to expend significant resources to alleviate these issues. Any of these events could damage LMG's reputation and generally have an adverse effect on its operating and financial performance.

Key Risks

(17) Laws and Authorisations

LMG's operations will be subject to various laws and plans, including those in respect of development permit and licence requirements, industrial relations, environment, land use, water, occupational health and plants and animals (for example laws or permitting required in relation to preservation of endangered or threatened species). Approvals, licences and permits for the compliance with these rules may be subject to the discretion of the applicable government or authorities, the local community or other stakeholders. Moreover, new laws and regulations may be enacted, and existing laws and regulations may be amended or applied in a manner which could impact LMG's development or production activities. LMG may not be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation or may not obtain the relevant authorisations in time. If so, LMG may be limited or curtailed from continuing or proceeding with production or development activities.

Operations can be subject to public and political opposition. Opposition may include legal challenges to development and production permits, political and public advocacy, electoral strategies, ballot initiatives, media and public outreach campaigns and protest activity, all which may delay or stop development or expansion. Change of laws, regulations or policies may take place as a result of political opposition in a way that adversely impacts LMG's abilities to deliver expected outcomes for certain reasons, e.g. increase of royalties or taxes or environmental bonds or change in regimes relating to permits and authorisations which are necessary for LMG's operations.

In the ordinary course of business, mineral processing companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the control of LMG. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by LMG and that the permits will be obtained in a timely manner. Amendments to current laws, regulations and permits governing operations and activities of mineral processing companies which apply to LMG's current or future operation, or a more stringent implementation thereof, could have a material adverse impact on LMG and cause increases in the cost of production or capital expenditure and reduction in levels of production for LMG's operations.

(18) Occupational Health and Safety

Workplace incidents may take place for various reasons, including as a result of non-compliance with safety rules and regulations. LMG may be liable for personal injuries or fatalities that are suffered by LMG's employees, contractors or other persons under applicable occupational health and safety laws. If LMG is liable under applicable laws, in whole or part, it may be subject to significant penalties. LMG may be subject to liability to pay compensation, and this may materially and adversely affect LMG's financial position and profitability. The potentially hazardous nature of mineral processing means that health and safety regulations impact the activities of LMG. Any injuries, accidents or other relevant events that occur on LMG's operation site could result in legal claims, potential delays or halt that could adversely impact LMG.

(19) Labour Shortages and Industrial Disputes

There is a risk that LMG may need to pay higher than expected costs to acquire or retain the necessary labour for its operations, including in relation to the Demonstration Plant. This could result in a material and adverse increase in costs and/or development projects being delayed or becoming uneconomic and not proceeding as planned. LMG will also be exposed to the risk that industrial disputes may arise (for example, in relation to claims for higher wages or better conditions) which might disrupt some of its operations and lead to increases in project costs and delays including to scheduled start up dates of projects under construction.

(20) Insurance Arrangements

LMG maintains insurance arrangements to protect against certain risks with such scope of coverage and amounts as determined by LMG's board and management, although its insurance policies may not be sufficient to cover all of the potential risks in respect of its operations. No assurance can be given that LMG will be able to obtain or maintain insurance coverage at reasonable rates, or that any coverage it obtains will be adequate and available to cover all risks or claims on acceptable terms. Losses, liabilities and delays arising from uninsured or underinsured events could adversely affect LMG's financial position and profitability.

(21) Changes to Accounting Standards

Changes to AAS, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 (Cth) ("Corporations Act") and other relevant authorities or applicable laws could affect LMG's reported results of operations in any given period or LMG's financial condition from time to time.

Key Risks

(22) Changes in Tax Rules or Their Interpretation

Changes in tax law (including value added or indirect taxes and stamp duties), or changes in the way tax laws are interpreted, may impact LMG's tax liabilities or the tax treatment of a LMG shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in LMG shares involves tax considerations which may differ for each LMG shareholder. Each LMG shareholder is encouraged to seek professional tax advice in connection with the Offer and how they may be impacted.

(23) Other External Factors

Events may occur within or outside Australia that could impact upon the Australian economy, LMG's operations and the price of LMG shares. These events include but are not limited to flooding or adverse weather conditions, fires, explosions, water ingress, seismic activity or the potential effects of climate change that affect the development or operations of the business, that can have an adverse effect on the demand for LMG's products and its ability to operate its assets or may result in delays to or loss of production. LMG has only a limited ability to insure against some of these risks.

(24) Litigation

LMG may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses and operations. These disputes may lead to legal, regulatory and other proceedings, and may cause LMG to incur significant costs, delays and other disruptions to its businesses and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions.

(25) Water Sources

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs, production levels and financial performance of LMG's operations. There is no guarantee that there will be sufficient future rainfall to support LMG's future water demands in relation to its operations, and this could adversely affect production and LMG's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that LMG will be able to obtain alternative water sources on commercially reasonable terms or at all in the event of prolonged drought conditions. Climate related changes to precipitation patterns could exacerbate water stress in some areas and therefore potentially have a negative impact on LMG's ability to access fresh water at its operations.

(26) Weather Conditions

Some of LMG's operations may be impacted from time to time by severe storms and high rainfall leading to flooding and associated damage which may result in delays to or loss of production or sales.

Key Risks – Issue of Shares

(1) General Risks Associated with an Investment in Shares

There are general risks associated with investments in equity securities. No assurances can be given that the New Shares will trade at or above the price at which they are issued. None of LMG, its directors or any other person guarantees the market performance of the New Shares, or of LMG. The trading price of shares in LMG may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the price at which they are issued.

There can be no guarantee of an active market in the shares in LMG or that the price of the shares in LMG will increase. There may be relatively few potential buyers or sellers of LMG shares on the ASX at any time. This may increase the volatility of the market price of LMG shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in LMG. Generally applicable factors which may affect the market price of LMG shares (and over which LMG and its directors have limited or no control) include:

- A. General movements in Australian and international stock markets;
- B. Investor sentiment and the demand for ASX-listed securities generally, and the risk of contagion;
- C. Australian and international economic conditions and outlook, including aggregate investment and economic output, employment levels and labour costs;
- D. Commodity prices, inflation, interest rates, and exchange rates;
- E. Changes in interest rates and the rate of inflation;
- F. Changes in exchange rates, magnesium or other relevant commodity prices, employment levels and consumer demand;
- G. Changes in government legislation, regulation and policies, including fiscal, regulatory and monetary policies and tax laws;
- H. Announcement of new technologies and displacement of existing technologies;
- I. Natural disasters, extreme weather events and catastrophes;
- J. Geo-political instability, including international hostilities and acts of terrorism;
- K. Demand for and supply of LMG shares;
- L. Announcements and results of competitors.

It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable. There have been during the last year, and may be in the future, significant fluctuations and volatility in the prices of equity securities.

(2) The Arrangements in Relation to the Offer May Be Terminated or May Not Complete

LMG has entered into an underwriting agreement with the Lead Manager, subject to the terms and conditions of that agreement (**Underwriting Agreement**). The Underwriting Agreement contains certain representations, warranties, undertakings and indemnities in favour of the Lead Manager. The Lead Manager may terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain customary events including material adverse change events. For a summary of the termination events under the Underwriting Agreement, refer to Appendix B. The Lead Manager and their respective affiliates and related bodies corporate are financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, market lending, and brokerage amongst other financial and non-financial activities and services including for which they have received or may receive customary fees and expense. The Lead Manager is expected to receive fees and expenses for acting in its capacity as lead manager of the Offer and underwriter of the Entitlement Offer.

(3) Other Dilution Risk

Existing shareholders who do not participate in the Offer will have their percentage shareholding in LMG diluted. Depending on the size of a shareholder's existing holding, a participating shareholder may still be diluted even though they participate in the Offer depending on the number of New Shares allocated to them under the Offer. Investors may also have their investment diluted by future capital raisings by LMG.

Appendix B
Summary of Underwriting Agreement



Underwriting Agreement

The Lead Manager has agreed to lead manage the Offer and underwrite the Entitlement Offer on the terms and conditions set out in the Underwriting Agreement. The Underwriting Agreement contains customary representations and warranties and indemnities in favour of the Lead Manager. Details of the fees payable to the Lead Manager are included in the Appendix 3B released to ASX on the date of this Presentation. The Lead Manager may terminate its obligations under the Underwriting Agreement at any time before completion of the Offer, where:

Termination Events

The Lead Manager may terminate its obligations under the Underwriting Agreement at any time before completion of the Offer, where:

- a) the Lead Manager forms the view (acting reasonably) that a statement contained in the Prospectus is or becomes false, misleading or deceptive or likely to mislead or deceive (including by omission), or a matter required by the Corporations Act is omitted from the Prospectus or the issue of the offer documents becomes misleading or deceptive or likely to mislead or deceive;
- b) a statement in public documents prepared by or on behalf of the Company in relation to the Company, the Company group or the Offer (**Public Information**) is or becomes misleading or deceptive or likely to mislead or deceive;
- c) a person gives a notice to the Company under section 730 of the Corporations Act in relation to the Prospectus (other than the Lead Manager);
- d) there is a contravention by the Company or any member of the Company group of the Corporations Act, the Company's constitution (or equivalent applicable documents), the ASX Listing Rules, any applicable laws, or a requirement, order or request made by or on behalf of a government agency or any agreement entered into by it, or where any offer document or any aspect of the Offer does not comply with the Corporations Act, the ASX Listing Rules, any applicable ASX waivers or ASIC modifications or any other applicable law or regulation;
- e) any person (other than the Lead Manager) whose consent to the issue of the Prospectus or any supplementary prospectus is required and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent;
- f) the Company lodges a supplementary prospectus without the consent of the Lead Manager or fails to lodge a supplementary prospectus in a form acceptable to the Lead Manager or, in the Lead Manager's reasonable opinion, becomes required to lodge a supplementary prospectus;
- g) any change, development or event occurs or is likely to occur which, amongst other things, has or is likely to have a material adverse change or effect on the business operations, condition, assets, liabilities, management or prospects of the Company group (taken as a whole) ;
- h) the ASX/S&P 300 Index is at any time more than 10% below its level as at close of trading on the business day immediately preceding the date of the Underwriting Agreement;
- i) the London Metal Exchange Aluminium price is at any time 10% or more below its level as at 5.00pm on the business day immediately preceding the date of the Underwriting Agreement;
- j) amongst other things, the Company ceases to be admitted to the official list of ASX or its shares cease trading or are suspended from quotation on ASX other than in connection with the Offer, ASX makes any official statement to any person, or indicates to the Company or the Lead Manager that official quotation on ASX of the New Shares will not be granted;
- k) amongst other things, any government agency commences, or gives notice of an intention to commence, any action, investigation, enquiry, hearing or proceedings in relation to the Company, the Offer or the offer documents;
- l) an event specified in the timetable for the Offer is delayed by more than one business day without the prior written consent of the Lead Manager;
- m) the Company withdraws an offer document or the Offer or indicates that it does not intend to proceed with the Offer;
- n) the Company is prevented from granting the entitlements or issuing the New Shares in accordance with the timetable for the Offer or by or in accordance with ASX Listing Rules applicable laws, a government agency or an order of a court of competent jurisdiction;
- o) ASIC withdraws, revokes or amends any relevant ASIC modification;
- p) ASX withdraws, revokes or amends any relevant ASX waiver;

Underwriting Agreement

- q) a Director or officer of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Offer;
- r) there is a change to the Company's CEO, COO, CFO or board of directors;
- s) the Company or a member of the Company group is or becomes insolvent or there is an act or omission which is likely to result in the Company or a member of the Company group becoming insolvent;
- t) a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company or the Company group;
- u) there is an event or occurrence, including an official directive or request of any government agency, which makes it illegal for the Lead Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- v) a member of the Company group breaches, or defaults under any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Company group;
- w) an Underwriting Agreement certificate is not given by the Company in accordance with the Underwriting Agreement or a statement in an Underwriting Agreement certificate is untrue or incorrect, or misleading or deceptive or contains omissions of any required information;
- x) there is an application to a government agency for an order, declaration or other remedy in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it);
- y) Any of the following events occur which the Lead Manager has reasonable grounds to believe has or is likely to have a material adverse effect on, amongst other things, the marketing, outcome or success of the Offer, the likely price at which the New Shares will trade on ASX, or that the event could give rise to liability for the Lead Manager or its affiliates under, or result in the Lead Manager or its affiliates contravening, the Corporations Act or other applicable laws:
 - i. any expression of belief, expectation or intention, or statement relating to future matters in an offer document or Public Information is or becomes incapable of being met or, in the opinion of the Lead Manager, unlikely to be met in the projected timeframe;
 - ii. the Company or a member of the Company group, among other things, varies any term of the Company's constitution, alters the issued capital or capital structure of the Company (other than in connection with the Offer or as contemplated by the offer documents) or ceases or threatens to cease to carry on business, without the prior written consent of the Underwriter;
 - iii. the Company, a member of the Company group, an offer document or any aspect of the Offer, does not or fails to comply with the Company's constitution, the Corporations Act, the ASX Listing Rules, any applicable ASX waivers or ASIC modifications or any other applicable law or regulation;
 - iv. the Company defaults in the performance of any of its obligations under the Underwriting Agreement;
 - v. a representation and warranty by the Company under the Underwriting Agreement was or is not true or correct or becomes untrue or incorrect;
 - vi. information provided by or on behalf of the Company to the Lead Manager in relation to the due diligence investigations carried out in connection with the Offer, the offer documents or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
 - vii. the relevant central banking authority declares a general moratorium on commercial banking activities, or there is a material disruption in commercial banking or security settlement or clearance services in Australia, the United States of America, Canada, the United Kingdom, Hong Kong, Singapore, any member of the European Union or the People's Republic of China;
 - viii. trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited for more than 1 trading day;

Underwriting Agreement

- ix. the introduction of legislation into the Parliament of the Commonwealth of Australia or any State or Territory of Australia, the public announcement of prospective legislation or policy by the Federal Government or State or Territory Government or the RBA, or adoption by ASX (or its delegates) of a regulation or policy that is or is likely to prohibit, materially restrict or regulate the Offer or materially reduce the likely level of valid applications for New Shares or materially affects the financial position of the Company or has a material adverse effect on the success of the Offer;
- x. there is, amongst other things, an outbreak of hostilities not presently existing or an escalation of existing hostilities (in each case, whether a war is declared or not) by or involving any one or more of Australia, New Zealand, Japan, Hong Kong, Russia, Israel, Ukraine, Syria, Iran, the United Kingdom, any member of the state of the European Union, the United States or China;
- xi. a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, a member of the European Union, Hong Kong, the People's Republic of China or Japan; or
- xii. any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand the United Kingdom, the United States, any member of the European Union or the People's Republic of China, or any change in national or international political, financial or economic conditions.

Thank You!

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