LATROBE MAGNESIUM INCREASES PROJECT FINANCE FACILITY BY \$3M FOR WORKING CAPITAL

Highlights:

- * LMG has successfully negotiated an increase in the facility limit of its project finance facility ("Facility") by \$3M to \$28M and extended the maturity date of the Facility from 31 March 2027 to 31 December 2027, following an increase in expected R&D refundable offsets projected to be received by LMG.
- * The additional funding will provide operational working capital for ongoing MgO production which is scheduled to ramp up in October 2024.
- * LMG will issue options under the Facility as consideration for the new terms of the Facility.
- * LMG's total R&D refundable offsets for the year ended 30 June 2024 will be in the order of \$16M. R&D refundable offsets for the year ending 20 June 2025 are projected to be \$13M.
- * LMG received the 2023 Financial Year R&D refundable offset of \$12.9M in May 2024 and the funds were used to reduce the amount owing under the Facility.

Project Funding

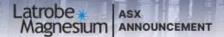
On 26 August 2024, LMG increased the limit of the Facility by \$3M to \$28M to provide funds for operational working capital purposes.

The Lender advanced \$3M under the Facility on 3 September 2024 and there remains a further \$3M of the Facility available to be drawn by LMG in the second half of the 2025 Financial Year.

LMG is currently finalising its tax return for its 2024 Financial Year with an R&D refundable tax offset claim in the order of \$16M which LMG anticipates it will receive in October / November 2024. These funds will be used by LMG to pay a current tax liability of circa \$3m, with the remainder to be used to reduce secured moneys owed to the Lender, leaving an amount outstanding to the Lender of circa \$5m after that repayment.

LMG estimates its R&D refundable tax offset for the 2025 Financial Year will be a minimum of \$13M based on its current and projected expenditure to 30 June 2025.

LMG has agreed to issue 33,775,000 options under the Facility, with an exercise price of \$0.079 (expiry date of August 2027) as consideration for the new Facility terms.



David Paterson

Chief Executive Officer

6 September 2024

About Latrobe Magnesium

Latrobe Magnesium (**LMG**) is developing a magnesium metal Demonstration Plant in Victoria's Latrobe Valley using its world first patented extraction process. LMG intends to extract and sell magnesium metal and cementitious material from industrial fly ash, which is currently a waste resource from brown coal power generation.

LMG has completed a feasibility study validating its combined hydrometallurgical / thermal reduction process that extracts the metal. The Demonstration Plant has now produced magnesium oxide with the full plant being commissioned in the second half of calendar year 2024.

A Commercial Plant will be also be developed by LMG, with a capacity of 10,000 tonne per annum of magnesium metal, with completion targeted for the first half of calendar year 2026. The plant will be in the heart of Victoria's coal power generation precinct, providing access to feedstock, infrastructure, and labour.

LMG will sell the 10,000 tonne per annum of refined magnesium metal under long-term contracts to LMG's US- based distributors.

Magnesium has the best strength-to-weight ratio of all common structural metals and is increasingly used in the manufacture of car parts, laptop computers, mobile phones, and power tools.

LMG's projects are at the forefront of ESG best-practice by recycling power plant waste, avoiding landfill, encouraging a circular economy, and by being a low CO₂ emitter.