

LATROBE MAGNESIUM CONFIRMS THAT MAGNESIUM EXPORTS TO THE US NOT SUBJECT TO TARIFFS

8 April 2025, Sydney Australia: Latrobe Magnesium Limited (LMG) (ASX: LMG) announces:

- * The United States (US) has introduced tariffs globally on all imports to address a lack of reciprocity in bilateral trading relationships, disparate tariff rates and non-tariff barriers
- * LMG has confirmed that Annex II attached to President Trump's statement details that the export of Magnesium to the US will not attract duty and has been exempted from the recent presidential action
- * This action confirms magnesium's status as an important critical mineral to the US, which LMG is well placed to address going forward
- * The already existing US anti-dumping duty on China produced magnesium into the US, will increase by 54% (being 20%+34%) as a result of this action

1. US Presidential Action

The US issued a presidential action on the 2nd April 2025 - *Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits*.

This action applies ad valorem duty on all imports from trading partners. This duty starts at 10% for all imports and will increase for specific trading partners.

This action is designed to reduce "large and persistent annual goods trade deficits" which "have led to the hollowing out of our manufacturing base; inhibited our ability to scale advanced domestic manufacturing capacity; undermined critical supply chains; and rendered our defense-industrial base dependent on foreign adversaries".

2. Exemption for Magnesium

The implementation of this action allows for the exemption of certain goods as per Annex II of the Harmonised Tariff Schedule of the United States (HTSUS).....*"other products enumerated in Annex II to this order, including copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, and energy and energy products"*.

Item 81041100 of the HTSUS is for "Magnesium, unwrought, containing 99.8 % by weight of magnesium".

As such, the export of Magnesium ingots to the US, as per LMG's plans, is not subject to tariffs and LMG can therefore sell into the US market tariff free. This confirms the importance of magnesium as a critical mineral to the US as well Canada, UK, Japan and Australia. This exemption by the US is in line with the Critical Minerals Compact enacted between the two countries in 2023.

As previously announced, it has been the intention of LMG to sell all of its planned production of Mg into the USA. Recent enquiries from US Defence Department seeking MgO has also confirmed the demand for this from the USA. LMG looks forward to continuing to develop its plans to produce and export magnesium to the US amongst other countries.

3. Increase in Magnesium Duty from China

Magnesium produced in China, where most of the world's magnesium is produced, 87% in 2023, is subject to an existing antidumping duty into the US of up to 111.73%.

The Presidential action adds a further 54% ad valorem duty onto China produced magnesium, creating a significant market price increase, making LMG even more competitive against Chinese magnesium.

Should you have any queries in relation to this announcement please do not hesitate to contact David Paterson.

David Paterson

Chief Executive Officer

8 April 2025

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 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 calendar year 2025.

A Commercial Plant will also be developed by LMG, with a capacity of 10,000 tonne per annum of magnesium metal, with completion targeted for the second half of calendar year 2027. 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.

LMG is also developing an International 'Mega' Plant in the state of Sarawak, Malaysia, which will produce 100,000 tonnes per annum of magnesium metal via its wholly owned subsidiary company Latrobe Magnesium Sarawak Sdn Bhd. LMG has completed the first phase (PFS-A) of a pre-feasibility study using Ferronickel Slag feedstock.

Magnesium has the best strength-to-weight ratio of all common structural metals and is increasingly used in the automotive, aerospace, medical and electronics industries.

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