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## PROJECT UPDATE

### LMG'S DEMONSTRATION PLANT

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**24 June 2025, Victoria, Australia:** Latrobe Magnesium Limited (ASX: LMG) provides the following update on continued progress toward commencement of operations at its Stage 1 Demonstration Plant.

To commence ore commissioning and transition into operations LMG is progressing the following key activities:

1. Obtaining approval to operate from the Environmental Protection Authority (EPA)
2. Securing operating labour at suitable commercial rates
3. Finalising the ash stockpile
4. Reinstatement of the management team and mobilising vendor technical personnel
5. Assessment of inventory and restock reagents as required.

#### **1. EPA Review**

LMG has submitted all required documentation to the EPA for approval to operate. On Thursday 19<sup>th</sup> June 2025, the EPA advised that although the submission was made in adequate time, the regulator is very busy at this time of year. Nonetheless, LMG was informed that its application is being prioritised, and a draft amended pilot project licence will be issued for review by mid-July.

LMG acknowledges that the challenges faced by the EPA were not evident at the time of developing the original project timeline and only became apparent following the submission. LMG appreciates EPA's efforts in progressing the review and prioritising the remaining documentation to enable timely issuance of the amended licence.

Based on this feedback, LMG is now targeting commencement of operations at the Demonstration Plant in the beginning of August 2025.

#### **2. Operating Labour**

LMG has been unable to finalise a site Enterprise Agreement (EA) with the relevant unions within the timeframe required for operations commencement. There remains a fundamental disconnect between expectations aligned with existing power station agreements and the economic realities of the mining industry.

As previously stated, the Latrobe Valley has a unique labour market driven by its proximity to major power stations, which has contributed to a skilled yet comparatively, a very high-cost workforce. These conditions do not readily translate to other industrial sectors. LMG's objective has been to establish labour arrangements consistent with those in place at other unionised mining operations across Victoria. There remains a strong desire to collaborate, and LMG will continue engaging with union representatives over the longer term, where Stage 2 of the project is expected to offer renewed opportunity for agreement.

As a contingency, LMG has now commenced recruitment through an agreement with a national labour provider. Interest from local jobseekers in the region has been encouraging, and a sufficient talent pool of personnel exists to commence recruiting.

Additionally, LMG's existing construction partners – Mechanical Maintenance Solutions (MMS) and Operations & Maintenance (O&M) – are also supporting recruitment efforts with additional personnel as required. LMG values its long-standing relationships with both contractors and looks forward to continued collaboration during the operational phase and beyond.

### **3. Ash Stockpile**

LMG has executed an updated ash supply agreement with Energy Australia, enabling the development of the ash stockpile. The stockpile will be reclaimed, transported, and supplied to the Demonstration Plant as feedstock. LMG's mining contractor, RTL Mining and Earthworks, is ready to commence preparation of the ash stockpile which is expected to align with the start of operations.

### **4. Site Reinstatement**

LMG has re-engaged three of its four operational site management team members who were previously involved in the plant's construction and initial pre-commissioning trial last year. Recruitment has commenced for additional management roles, namely a Process Engineer and an Operations Manager. Health, Safety and Environment (HSE) management activities will commence with implementing the safety management and permit to work systems.

The process plant is being progressively brought out of care and maintenance, with pre-start checks completed across most process areas. Ongoing pre-commissioning activities include equipment and safety verifications, lubrication changes, dry test runs and are expected to continue over the next fortnight.

All reagent inventories have been reviewed, and quantities are sufficient to support plant start-up. Suppliers have been notified to ensure continuity of supply. LMG's information management system for maintenance and equipment documentation is operational, providing site personnel with all resources necessary for effective maintenance and troubleshooting.

Procurement of maintenance tooling is underway, and commissioning spares are available as required. Additional preparatory works, including HSE site markings, have also been completed.



Operational procedures are nearing completion and are undergoing final review by safety and management teams. These processes will underpin the onboarding and training program for operational staff in the lead-up to plant start-up.

## **5. Vendors**

Mobilisation of key technical vendors is progressing in parallel with workforce preparations. Tenova's commissioning team and Rockwell Automation's engineering personnel are scheduled for their initial Demonstration Plant site visits on 26 June 2025.

### **LMG's Chief Executive Officer, David Paterson commented:**

*"We appreciate the continued patience and support of our shareholders as we prepare to commence operations at our Demonstration Plant. LMG has had all of the necessary documentation in place for some weeks to enable EPA approval, and we look forward to receiving the amended permit, so we progress along the Company's critical path towards startup. In parallel, we continue to advance strategic and non-dilutive funding initiatives to support the transition to magnesium metal production. LMG remains well-funded to commence Demonstration Plant operations".*

Latrobe Magnesium looks forward to commencing operations and will continue to provide updates as final milestones are achieved.



**David Paterson**  
**Chief Executive Officer**

24 June 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 CO<sub>2</sub> emitter.