QUARTERLY ACTIVITIES REPORT
30 September 2025

Highlights:

- **The Environment Protection Authority (EPA) Victoria reissued the Company's Pilot Project Licence confirming compliance and readiness for operations.**

- **Successful production of Magnesium Oxide (MgO) achieved, validating the Company's proprietary process and confirming operability of all key process units.**

- **Completion of $6M placement, with $4M fully underwritten rights issue to support construction and commissioning of Phase 1B of the Demonstration plant, focused on magnesium metal production.**

- **Latrobe Magnesium (LMG) receives U.S. Export Import Bank (EXIM) Letter of Interest (LOI) for financing of up to USD $122M (AUD $200M), over a 15-year repayment period, for the Stage 2 Commercial Plant with planned capacity of 10,000 tonne per annum (tpa) magnesium metal.**

- **LMG's wholly owned subsidiary Latrobe Magnesium Sarawak (LMS) received formal legal confirmation enabling the importation of ferro-nickel product, the project's primary feedstock, into Malaysia without restriction, following guidance from Malaysia's Department of Environment (DoE).**

1. Stage 1 Demonstration Plant

1.1 Operations

During the quarter, Latrobe Magnesium Limited (ASX: LMG) achieved a significant milestone in its commercial development pathway with the successful commissioning and start-up of its world-first Demonstration Plant for the extraction of Magnesium Oxide (MgO) from brown coal ash at Hazelwood North, Victoria.

Following the reissue of the Environment Protection Authority (EPA) Victoria Pilot Project Licence (PPL000233697) in August 2025, confirming full operational approval, the operations team initiated a controlled start-up sequence encompassing all major process areas.

Early September marked the official commencement of continuous operations following several weeks of system validation, operator training, and operational safety readiness reviews. Training activities completed included:

- **Company and Site Induction** – introduction to the Company's values, code of conduct, health, safety and environmental policies and operational responsibilities
- **Emergency Response Procedures** – incident management, evacuation drills, permit-to-work systems, and safety equipment use
- **Operational Routines** – field and control room operations, sampling and monitoring procedures, and shift handover processes
- **Systems Training** – document management, process control interface training, and maintenance scheduling

- **Practical Field Exercises** – operational plant area walk-throughs and activities, covering production lines, materials handling systems, maintenance, and emergency response scenarios.

Operator Training Program

Initial delays in ash supply caused by severe weather and elevated moisture content were managed through adjusted screening and drying protocols, which improved feedstock delivery prior to start-up. However, the variable ash quality during this period resulted in downstream impacts to processing performance. To prevent recurrence, LMG will implement a revised screening and conditioning program for the next ash screening campaign once the current stockpiles are depleted, providing greater control over particle size, moisture levels, and feed consistency.

By late September, the Demonstration Plant had again produced MgO, confirming the functionality of LMG's proprietary process and validating the core components of its patented magnesium extraction technology.

Over 200 tonnes of screened brown coal ash were received and stored in the site's ash bunker, which has been steadily fed at a reduced throughput during ramp-up to continuous operation. Deliveries continue from the Company's mining partner under EPA waste tracker compliance, and reagent and fuel deliveries are being maintained through long-term partnerships with Origin Energy (LPG), Coregas (industrial gases), and Ixom (acid).

Operational teams conducted several scheduled maintenance pauses during ramp-up to assess mechanical integrity, review performance data, and refine operating parameters, while continuing to build team capability and process knowledge ahead of steady-state operations.

Preventive maintenance strategies are now embedded into standard operating procedures to ensure rapid recovery from unplanned downtime and equipment reliability. Lessons from commissioning are being incorporated into maintenance and operation procedures to improve process efficiency and plant stability.

Ash received and stored in Ash Bunker ready for start-up

Loading of ash into hopper (*left*) **and deliveries of acid for start-up** (*right*)

Stockpiling of MgO has commenced, with product currently bagged into 1-tonne bulk units and stored onsite. Pending progressive increases in output during ramp up, first delivery to offtake partners remains scheduled for the next quarter. Once steady state is achieved, each production batch will undergo analytical testing of particle size distribution, reactivity, and surface area characteristics supporting quality assurance for future shipments.

The MgO produced to date, approximately seven tonnes at the time of writing, is expected to demonstrate chemical purity consistent with the commissioning production run completed in May 2024. Purity and consistency are expected to continue improving as the plant transitions toward steady-state operation, aligning with industrial-grade specifications.

The Demonstration Plant has also successfully produced several by-products during initial operations, including char/silica, iron oxide, and agricultural lime. Samples are being prepared for validation trials with previously identified customers to advance long-term offtake agreements for these products for both the Demonstration Plant and future Commercial Plant.

Loading of MgO into 1t bags (*left*) **and relocating bags to storage area** (*right*)

Some of the MgO bags which have been produced, ready for transport

As part of EPA permit conditions and the Company's Comprehensive Analytical and Monitoring Programme, environmental noise and air emissions testing were completed during start-up. Exhaust stacks and dust filter vents were tested in accordance with Australian Standards, with results for particulates, trace metals, oxides, chlorides, and gases all measuring below licence limits.

Environment noise monitoring confirmed that effective sound levels across all four monitored site boundaries of the Demonstration Plant did not exceed EPA noise limit criteria, or even the measured background levels for the area. The acquired results, assessed during normal operation, confirms acceptable noise emissions for the Demonstration Plant, especially given the lack of proximity to any residential areas.

Noise and air emissions testing completed during operations as per EPA permit condition.

In the last two weeks, plant operations were temporarily paused to allow for repair and investigation into an unexpected coating delamination issue identified on the Spray Roaster's gas transport fan impeller and casing. Inspections confirmed coating delamination on vanes in both the Stage 1 and Stage 2 impeller sections and fan casing, primarily caused by a manufacturing/coating adhesion failure.

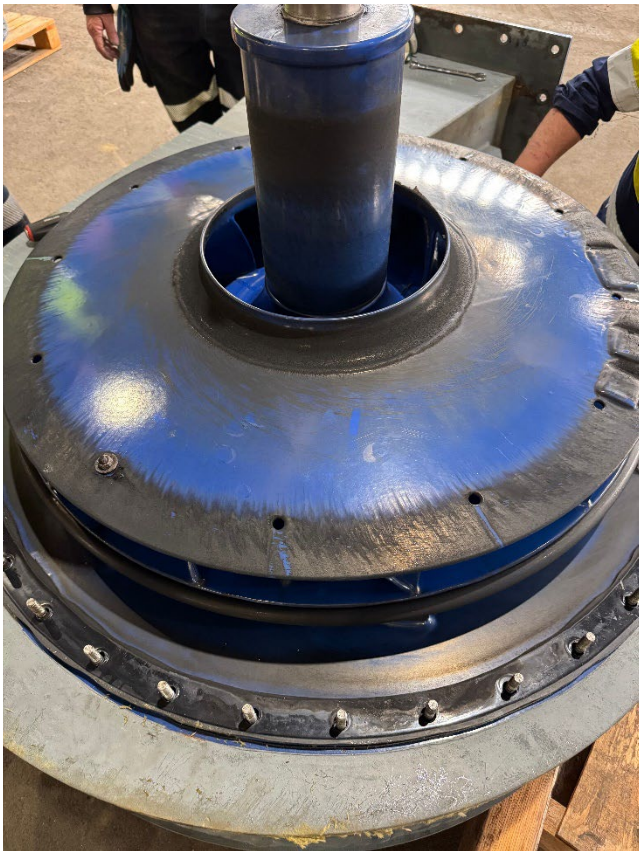
The observed failure mode is diagnostic of inadequate surface preparation and contamination control during manufacture, such as insufficient abrasive blasting, residual oils or contaminants, or inadequate outgassing. This confirms the issue is unrelated to process chemistry or acid exposure.

LMG have engaged the equipment supplier and manufacturer, the original coating supplier, and a local coating specialist to complete a coordinated internal inspection, subsequent third-party inspection, testing, and repair. All parties have agreed to proceed with repairs immediately, maintaining the original coating specification, with remote specialist support for reassembly, re-coating, and dynamic balancing activities.

Repairs are being executed as a priority, and production will resume following completion of repairs, reassembly, and verification testing later next week.

During the temporary pause in operations, the team is maximising the downtime to complete preventative maintenance, implementing process refinements identified during early ramp up, and continuing to update training and procedural documentation. The team is also using this period to strengthen technical partnerships, including ongoing collaboration with Rockwell Automation on control system optimisation and operator interface improvements, and expanding and rationalising the maintenance spares inventory to enhance plant reliability and responsiveness.

The Demonstration Plant is expected to recommence operations by the end of next week and reach steady state operation before the end of the month, with the operations team anticipating a smooth and efficient restart supported by these improvements.



Disassembly of the Spray Roaster's gas transport fan to complete coating repairs

2. Stage 2, 10,000tpa Commercial Plant

2.1 Feasibility Study

During the quarter, the Stage 2 10,000 tpa Commercial Plant Feasibility Study (FS), developed in collaboration with Bechtel Australia Pty Ltd (Bechtel), remained ready for execution pending funding availability, with no material or major developments since the previous quarter.

3. Stage 3, 100,000tpa International Plant

3.1 Ferro Nickel Product Import

During the quarter, LMG's wholly owned subsidiary Latrobe Magnesium Sarawak (LMS) received formal written legal advice, from a leading legal firm in New Caledonia, confirming that New Caledonia is not a member of the Organisation for Economic Co-operation and Development (OECD). In accordance with guidance from Malaysia's Department of Environment (DoE), this clarification enables LMS to import ferro-nickel product, the project's primary feedstock, into Malaysia without restriction under current environmental import frameworks.

LMS, via its environmental consultant Chemsain Konsultant Sdn Bhd, is working with the DoE to obtain formal written acknowledgement of this interpretation, expected as a procedural matter in due course.

3.2 Land Survey Activity

LMG has shortlisted a local land surveying firm to conduct a comprehensive land survey at the proposed project site. The survey will confirm site boundaries, coordinates, and provide early topographical and geotechnical data to support upcoming feasibility studies. The survey works are scheduled to commence in Q1 2026.

4. Mincore Legal Proceedings Update

As previously disclosed, LMG lodged a $19.39M counterclaim against Mincore Pty Ltd in the Supreme Court of Victoria on 15 January 2025 for breach of contract and negligence in the performance of services. Mincore's initial claim of $1.37M is being contested and may be reduced to $914,390.

Proceedings have advanced through the initial pleadings phase, Mincore's insurers have assumed conduct of the matter and the Court ordered mediation to be completed by the parties, subsequent to the end of the quarter.

The mediation did not result in a commercially acceptable outcome, with the insurer unwilling to negotiate substantively. The mediator recommended providing early evidence to prompt further negotiations before proceeding to the evidentiary phase of the proceedings. LMG is moving ahead with this early evidence phase, with the mediator due to report back to the Court on the outcome of further negotiations by mid-November.

LMG remains confident in its position and notes this outcome aligns with recent trends in the professional indemnity market.

5. Funding

On 17 October 2025, LMG finalised a $6M placement, announced on 13 October 2025 and is in the process of raising a further $4M through a fully underwritten rights issue, closing 4 November 2025. These funds will primarily support installation and commissioning to allow magnesium metal production at the Demonstration Plant.

On 21 October 2025, LMG announced that the U.S. Export Import Bank (EXIM) has issued LMG a Letter of Interest (LOI) to advise that it would be prepared to finance up to USD $122M (AUD $200M) for LMG's Stage 2 Commercial Plant over a maximum repayment term of 15 years. The LOI is non-binding i.e., does not represent a financing commitment. Upon receipt of a financing application, EXIM will conduct its standard due diligence.

LMG has submitted its 'White Paper' to the U.S. Department of Defense (DoD) (now titled the Department of War) under the auspices of the Title III Defense Production Act, which supports the development of domestic supply chains for critical minerals. Magnesium is designated a critical mineral in the United States, with no current domestic capability. The proposal—positively received by DoD—highlights that Bechtel, a U.S.-based Washington firm, would lead the engineering scope. Under the proposal, all magnesium metal produced will be exported to U.S. customers, including the Pentagon. The funding, if approved, will enable LMG to complete magnesium metal production at the Demonstration Plant, support ramp-up costs, and advance feasibility studies for the Stage 2, 10,000tpa Commercial Plant. An outcome from the application is expected in Q4 2025.

Additionally, LMG has been accepted into the Commonwealth Government's Industry Growth Program. Under Phase 1, a Commonwealth-appointed business advisor has completed an assessment of the LMG project and submitted it for review, paving the way for a Phase 2 funding application of up to $5M and/or 50% of eligible expenditure.

Separately, LMG has engaged Jones Lang LaSalle (JLL) to manage the sale of approximately 4.3 hectares of surplus land at the Tramway Road site. The sale of the land may proceed in two parts, if required, and is expected to generate up to $3M in proceeds. A Heads of Agreement for the sale of Lot 7 for $1.3M has been exchanged between the parties, and it is subject to the execution of a final contract. All proceeds from the sale will be applied to reduce outstanding liabilities to LMG's external financier.

The 2025 Research and Development (R&D) rebate, estimated at $6.3M, has been submitted, with payment expected in November 2025. The rebate proceeds will be applied toward repayment of the existing $8.3M facility with LMG's financiers. The remaining balance is expected to be repaid, in full, from the proceeds of the Tramway Road surplus land sale, anticipated to be received in the first quarter of the 2026 calendar year.

6. Cash at Bank

As at 30 September 2025, LMG had $323K in its Bank. This has increased post quarter end through the recent $6M placement and will increase again upon settlement of the Company's fully underwritten rights issue of $4M in November 2025.

7. Listing Rule 5.3.5

In accordance with ASX Listing Rule 5.3.5, LMG advises that during the quarter, no payments were made to Directors or their associated entities for Director fees, as disclosed in Appendix 5B.

Should you have any queries regarding this announcement, please contact David Paterson on his mobile +61 421 234 688.

David Paterson

Chief Executive Officer

29 October 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 expected to be commissioned in the first quarter of 2026.

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 end of the 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 U.S.-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_2 emitter.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Latrobe Magnesium Limited

ABN	Quarter ended ("current quarter")
55 009 173 611	30 September 2025

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(546)	(546)
	(e) administration and corporate costs	(429)	(429)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(8)	(8)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	0	0
1.8	Other (provide details if material)	0	0
1.9	**Net cash from / (used in) operating activities**	**(980)**	**(980)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	(1,122)	(1,122)
	(d) exploration & evaluation	0	0
	(e) Investment	0	0
	(f) other non-current assets (patents)	0	0

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other	0	0
2.6	**Net cash from / (used in) investing activities**	**(1,122)**	**(1,122)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (payment of lease liabilities)	0	0
3.10	**Net cash from / (used in) financing activities**	**0**	**0**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,424	2,424
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(980)	(980)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,121)	(1,121)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**323**	**323**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	315	2,401
5.2	Call deposits	8	23
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**323**	**2,424**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1 Payments for directors' services	0
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	28,000	27,300
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	**Total financing facilities**	28,000	27,300

7.5	**Unused financing facilities available at quarter end**	700

7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	Facility	$28,000,000 – Secured: $27.3 million has been drawn to 30 September 2025. The amounts have all been repaid apart from $2.3 million drawdown in April 2025.
	Lender	RnD Funding Pty Ltd
	Interest Rate	12% pa. to 31 October 2023, and 18% pa. from 1 November 2023 to 31 December 2024 and 24% pa. thereafter to maturity date
	Maturity Date	31 December 2027

8.	**Estimated cash available for future operating activities**	**$A’000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	980
8.2	Capitalised exploration & evaluation (Item 2.1(d))	0
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	980
8.4	Cash and cash equivalents at quarter end (Item 4.6)	323
8.5	Unused finance facilities available at quarter end (Item 7.5)	700
8.6	Total available funding (Item 8.4 + Item 8.5)	1,023
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.04

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Yes.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes. Capital raising was announced on 13/10/2025. The placement was 100% successful and the rights issue is 100% underwritten.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes based on current operations and the recent capital raising

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025

Authorised by: Audit and Risk Committee
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.