EXPORT FINANCE AUSTRALIA ISSUES NON-BINDING AND CONDITIONAL LETTER OF SUPPORT TO ASSIST WITH THE FINANCING OF LMG'S STAGE 2 MAGNESIUM PLANT

23 December 2025 Hazelwood North, Australia: Latrobe Magnesium Limited (**LMG**) (ASX: LMG) is pleased to announce that Export Finance Australia (**EFA**) has issued LMG a non-binding and conditional Letter of Support (**LOS**) to advise that it can consider potential financing for LMG's Stage 2 10,000tpa Commercial Plant.

The LOS is non-binding and does not represent a financing commitment. The terms of any financial support from EFA is still to be determined and subject to meeting EFA's due diligence and eligibility criteria, including environmental, social, and financial assessments, and credit, risk and legal requirements and approvals.

EFA's LOS is in addition to the Letter of Interest (LOI) provided to LMG in October this year by the Export Import Bank of the United States (EXIM) to consider finance up to A$200 million for LMG's Stage 2 10,000tpa Commercial Plant.

[The terms of EXIM's LOI are broadly:]

- EXIM's LOI is to support Latrobe Magnesium's LMG Stage 2 Commercial Magnesium Plant.
- It is understood that EXIM would be prepared to finance up to US$122 million (A$200 million) of the required commercial plant capex over a maximum repayment term of 15 years.
- The transaction is likely eligible for special consideration under Section 402 of EXIM's 2019 reauthorization (P.L. 116-94), which directs EXIM to take steps to mitigate the competitive impact of export support provided by the People's Republic of China for opportunities such as this one and/or to advance the comparative industrial and technological leadership of the United States.
- 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.

EFA has indicated potential interest to join EXIM in the financing of LMG's Stage 2 project. Through the EXIM–EFA "Single Point of Entry" and under the US-Australia Critical Minerals Framework announced in October this year, EFA and EXIM are working together to support critical minerals projects.

LMG's CEO David Paterson said, "We thank EFA for supporting our based upon LMG's ability to supply magnesium to the United States within the short term. The United States does not currently have a local primary magnesium producer and LMG is ideally situated to fill this gap in the short and medium term.

We also thank the Australian Government and EFA for its support for the development of LMG's Stage 2 magnesium project."

LMG will be appointing Bechtel to undertake the Bankable Feasibility Study for its Stage 2, 10,000 tonne per annum Commercial Plant, which should take around 9 months to complete. LMG's estimate for the construction of this plant is A$250 million, being A$200 million in debt and A$50 million in equity.

LMG are in discussion with strategic investors in relation to the supply of equity and is continuing discussions with the National Reconstruction Fund, Societe Generale, EXIM, and now EFA in relation to the debt.

100% of LMG's Stage 2 Commercial Plant magnesium metal production is allocated to the U.S. market, under an offtake agreement, where it will be distributed locally by Metal Exchange Corporation of St Louis, Missouri. Magnesium is a critical mineral for western countries given 90% of the world's production is made in China and 6% in Russia. It is used in aluminium alloys for cans and aluminium sheets, and for the production of steel and titanium; metals that are all used in the automobile industry and in defense for making planes and ships. Additionally, it is used in munitions, drones and countermeasures such as flares.

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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 second 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 first half of calendar year 2028. 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 distributor.

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.

About Export Finance Australia

Export Finance Australia (EFA) is Australia's export credit agency. EFA provides commercial finance for export trade and overseas infrastructure development. From small and medium-sized enterprises to large corporates and infrastructure projects, EFA helps Australian businesses take on the world. In doing so, EFA's finance supports Australia's economic security and resilience.

EFA administers the Australian Government's National Interest Account, which currently includes the Southeast Asia Investment Financing Facility, Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific.