LATROBE MAGNESIUM SECURES $6.3M FUNDING TO COMMENCE OPERATIONS

4 April 2025, Sydney Australia: Latrobe Magnesium Limited (**LMG**) (ASX: LMG) is pleased to announce:

- **Demonstration Plant targeted to be restarted in late May to produce Magnesium Oxide (MgO) and achieve steady state operation**
- **LMG has received commitments for A$2.75M from investors via an institutional placement (Placement), alongside a fully underwritten Share Purchase Plan (SPP) to raise A$0.75M (together, the Offer) to complete a capital raising of $3.5M. The Offer was well supported by LMG's directors, having subscribed for A$550,000 of shares in the Placement**
- **LMG is approved to drawdown A$2.8M of available debt finance, with interest rates reduced markedly to 10%**
- **LMG is progressing with the sale of excess land at its Tramway Road site, which is expected to raise up to $5M and be completed by 30 June 2025**

In reference to the Offer, Latrobe Magnesium's Chief Executive Officer, David Paterson, commented:

"I am pleased with our funding progress to allow the start of operations as per our revised strategy of producing steady-state MgO from our 1,000tpa Demonstration Plant, whilst we progress the construction of magnesium metal. The strong support for this equity raising reflects the desire to commence operations to demonstrate our ongoing success in derisking our technology and process, amidst difficult equity market conditions. It is gratifying to see the continued support to make us the first new producer of magnesium in the western world.

The new funding will enable Demonstration Plant operation to produce MgO, demonstrate sustainable on-spec MgO production to the market, which LMG intends to sell to its Australian customers, collect data to support permitting activities for Stage 2 and build our experience base with our workforce.

2025 promises to be a significantly better year for achieving our goals of metal production, progressing the Stage 2 commercial project and improving the share price. We are very appreciative of the support from both our new and existing shareholder base to help move the company forward."

1. Placement

The Placement will constitute the issue of 250 million New Shares in the Company at $0.011 per share (Offer Price), representing a 15.4% discount to the last traded price of $0.013 per share.

The New Shares subscribed under the Placement to LMG investors will be issued under ASX Listing Rule 7.1 and therefore do not require shareholder approval. LMG Directors have subscribed for A$550,000 of shares which are subject to shareholder approval under ASX Listing Rule 10.11 at a general meeting to be held later in the year.

2. Share Purchase Plan

A SPP will be issued to all shareholders that were registered with the Company at 7.00pm on Thursday 3 April 2025. Shareholders will be given the opportunity to subscribe for $30,000 of shares for each shareholding they have in the Company at the Offer Price.

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The SPP documentation will be despatched to shareholders on Thursday 10 April 2025 and the SPP will remain open until 2 May 2025. The SPP is underwritten by Shaw and Partners to an amount of $750,000.

Key dates in respect of the Offer are detailed below:

Event	Date (AEST)
Record Date for eligibility to participate in the SPP	**7:00pm, Thursday, 3 April 2025**
Dispatch SPP Offer Documents and SPP offer opens	**Thursday, 10 April 2025**
Settlement of New Shares under the Placement	Thursday, 10 April 2025
Allotment and Trading of New Shares under the Placement	Friday, 11 April 2025
SPP closing date	**Friday, 2 May 2025**
Announcement of results of SPP	Wednesday, 7 May 2025
Allotment of New Shares issued under the SPP	Friday, 9 May 2025

Dates are indicative only and subject to change. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to vary these dates in its discretion.

Shaw & Partners Limited acted as Corporate Adviser to the Company in respect of the funding, Sole Lead Manager to the Placement and SPP, and underwriter to the SPP, and will be paid fees for these services.

3. MgO Demonstration Plant Restart

The Demonstration Plant is targeted to commence operations from the end of May subject to securing labour, restocking reagents, finalising the ash stockpile, reinstating the management team and the Environmental Protection Authority finalising its review, currently underway, of the operating plans. The funds raised will be sufficient to operate the plant at a steady state condition for the foreseeable future, pending the labour rates that LMG is able to negotiate with unions, contractors etc. LMG intends to sell the MgO it produces to its customers.

4. Fund Raising

A summary of these funding arrangements is detailed below:

Sources of Funds	$M	Use of Funds	$M
Placement	2.75	Demonstration Plant Reserve	3.5
SPP	0.75	Trade Creditors	2.0
New Loan	2.3	Working Capital & Offer Costs	0.8
Release of Control Account funds	0.5		
Total	**6.3**	**Total**	**6.3**
Land Sale*	**+ 5.0**	**Working Capital & Commercial Plant Studies**	**+ 5.0**

5. Debt Funding

As a result of the capital raising, RnD Funding (**RnD**) has agreed to release $550,000 in LMG's control bank account and advance a further $2.3M of its existing facility. Additionally, RnD has agreed to reduce the interest rate on this loan to 10%, representing material savings for the company.

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As of 31 December, LMG's current debt to RnD stood at $5.1M. With today's $2.3M advance, the total debt will increase to $7.4M plus interest. This facility is expected to be repaid upon receipt of LMG's 2025 tax rebate, which is estimated to be between $8M to $10M, depending upon Demonstration Plant expenditure incurred to 30 June 2025.

4. Sale of Tramway Road

LMG has engaged Jones Lang LaSalle (JLL) to facilitate the sale of approximately 4.3Ha of surplus land at its 320 Tramway Road site. The sale of the land can occur in parts and is expected to generate up to $5M to assist with further working capital requirements of the Company, including developing a magnesium JORC resource, finalising a mine and rehabilitation plan for the Yallourn site and economic studies to develop Stage 2.

LMG and JLL have identified two different buyers, each interested in purchasing half of the total land. Both parties are currently conducting due diligence which is expected to be completed by the end of April. If a positive response is not achieved from both buyers, JLL will proceed with marketing the property more broadly.

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

David Paterson

Chief Executive Officer

4 April 2024

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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 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_2 emitter.

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