
EXIM ISSUES A LETTER OF INTEREST TO FINANCE UP TO A\$200M FOR LMG'S STAGE 2 COMMERCIAL MAGNESIUM PLANT

21 October 2025 Hazelwood North, Australia: Latrobe Magnesium Limited (**LMG**) (ASX: LMG) is pleased to announce 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 US\$122 million (A\$200 million) for LMG's Stage 2 Commercial Plant over a maximum repayment term of 15 years.

EXIM's Chairman John Jovanovic commented:

"EXIM's LOI to Latrobe Magnesium reflects our commitment to advancing projects that strengthen U.S. national security, enhance supply chain resilience, and revitalize domestic manufacturing. By fostering collaboration between American industry and Australian mining initiatives, EXIM is helping deliver on President Trump's vision to bolster America's industrial innovation, create high-quality U.S. jobs, and ensure reliable access to the critical minerals that power key American industries and technologies."

LOI summary:

- 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.

LMG's Managing Director David Paterson said, "We thank EXIM for supporting our project and our ability to supply magnesium to the United States within the short term. The United States do 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 its Washington Embassy for the support provided during the recent Critical Minerals Delegation."

On Friday 17th October 2025, LMG finalised its A\$6 million Placement. It is in the process of raising A\$4 million through a fully underwritten rights issue which will close on 4th November 2025. These funds will be used primarily for installation and commissioning of the magnesium section of its demonstration plant.

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, Export Finance Australia, Societe Generale and now EXIM 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.

For further details please refer to the White House announcement on Monday 20 October 2025.

Regards

David Paterson
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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 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 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 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 CO₂ emitter.

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