

PROJECT UPDATE

DEMONSTRATION PLANT – PHASE 1B

30 June 2026, Victoria, Australia: Latrobe Magnesium Limited (ASX: LMG) provides the following update on continued progress of its Phase 1B installation and commissioning activities at its Stage 1 Demonstration Plant.

Highlights:

- * Significant structural, mechanical & piping (SMP) milestones achieved across the Briquetting and Reduction Furnace areas, including completion of the Reduction Furnace platform, Supplementary Cementitious Material (SCM) screw conveyor, Quicklime, and utility piping installation, with ductwork and final tie-ins progressing toward completion.
- * Electrical and instrumentation installation advancing across both work areas, with Reduction Furnace main control panels and local junction boxes installed, Briquetting screw feeder successfully powered and tested, and cable terminations and instrument cabling underway.
- * Health, Safety & Environment (HSE) performance remains strong, with an average HSE compliance rate of 97% and zero reportable incidents recorded to date.
- * Overall construction 33% complete as LMG advances toward commissioning and first magnesium metal production in the second half of the calendar year.

1. Health, Safety & Environment (HSE)

Safety performance throughout Phase 1B installation and commissioning activities has continued to be maintained to a very high standard. Weekly HSE compliance rates have consistently tracked an average of above 97% across the last month, with zero reportable incidents recorded to date.

2. Engineering and Procurement

Procurement activity has remained active across the last month, with procurement completed progressively to support the advancing installation works. Materials procured include stainless steel piping and fittings for the pre-evacuation and process systems, argon supply tubing and manifold components, briquetting ductwork, cabling, electrical materials, and structural steel for fabrication of supports required. The majority of procured items have been delivered to site or are expected imminently, with no items of concern to the overall schedule.

Remobilisation of suppliers responsible for equipment delivery has advanced. The remaining Reduction Furnace works have restarted with air aspiration piping due for completion in early July and a second prototype furnace test currently scheduled for mid-July to validate the retort support design. The Reduction Furnace remains on the critical path for the overall project schedule and is being actively managed to ensure it remains on track.

The specialist automation supplier responsible for the Reduction Furnace automatic shuttles has been reengaged with a recently completed site inspection of equipment stored on site identifying no issues. Installation of this scope will progress over the coming weeks, alongside the planning commissioning activities once the Reduction Furnace installation is more advanced.

The Briquetting system design, logic, architecture, and programming has been finalised and agreed, with Rockwell Automation commencing programming works, targeting a four-to-five-week duration to bring the system to a state ready for initial testing and on-site commissioning.

3. Site Execution

Civil Works

Civil scope associated with the dust collector footings and screw conveyor foundations were completed in the prior period.

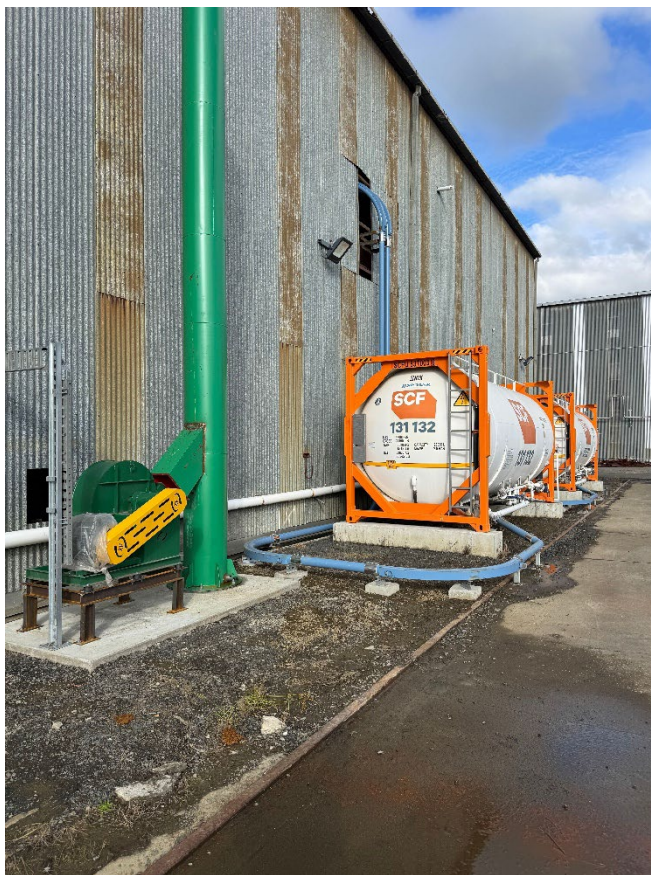
Structural, Mechanical & Piping (SMP) Installation

SMP installation has advanced significantly across both the Briquetting and Reduction Furnace work areas since the previous update, with the following key activities progressed or completed:

- Briquetting equipment installation, including screw conveyors, fans, oil and grease station, safety shower, and associated structural supports, is substantially complete, with final ductwork tie-ins expected over the coming weeks upon receipt of remaining materials.
- Dust collector stack bases are installed with remaining stack installation at elevation to coincide with other major lifts requiring a crane in the coming weeks.
- Quicklime piping supports and piping erection is complete.
- Reduction Furnace platform installation is complete, including stair threads, handrails, grating and Supplementary Cementitious Material (SCM) screw conveyor with associated valves and chutes.
- Fabrication of all structural bases for the Reduction Furnace area including electrical cabinets, control panels, cable support brackets, and Exhaust Stack support is complete and ready for installation.
- Utility piping installation is complete across the main pipe racks, with tie-ins to localised equipment continuing to progress.
- Argon supply system piping and vacuum piping fabrication has commenced with progressive installation being completed.



Briquetting area SMP installation progress



Quicklime piping and Reduction Furnace screw conveyor and platform installation progress



Exhaust stack support fabrication and utility piping and argon supply installation progress

Electrical & Instrumentation (E&I) Installation

Electrical and instrumentation installation has continued to advance in parallel with SMP works across the Briquetting and Reduction Furnace areas:

- Briquetting electrical and instrumentation cable terminations, including cable installation to local instruments are underway and expected to continue over the coming weeks.
- A screw feeder has been successfully powered and its functionality tested, representing an important milestone in the progressive energisation of the Briquetting system to be completed during the plant's five-stage commissioning process.
- Wiring modifications within substation MCC-201 continue to progress to accommodate the agreed Briquetting system design modifications.
- Cabling and supports for the Briquetting Loading Conveyors (CV-07 and CV-08) have been completed.
- Reduction Furnace main control panels and local area junction boxes are installed with cabling racking and cable installation in the area are progressing.
- Installation of the Refinery area cable tray has been completed.



Reduction Furnace local junction boxes & main panel installation progress



Briquetting electrical and instrumentation cable terminations progress

The current Phase 1B cost commitment reflects the continued installation activity across site since the project's commencement late March 2026, with commitment steadily increasing progressively as procurement and subcontract agreements are executed in line with the advancing scope. Personnel resourcing continues to be actively managed to align with evolving work fronts across the site.

Construction is currently 33% complete. First magnesium metal production from the Demonstration Plant remains targeted for the second half of calendar year 2026, consistent with the previously stated guidance.

A further project update will be provided as commissioning activities advance toward readiness for first metal production.



David Paterson
Chief Executive Officer

30 June 2026

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, cementitious material, and other products from industrial ash, which is currently a waste resource from brown coal power generation.

LMG has completed the first half of a Demonstration Plant which has now produced sustained magnesium oxide and other saleable by-products, with the full plant expected to be commissioned in the second half of 2026.

A Commercial Plant will also be developed by LMG, with a capacity of 10,000 tonne per annum of magnesium metal. 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 CO₂ emitter.