LMG PROVIDES FURTHER INFORMATION ON STRATEGIC U.S. 50 KTPA MAGNESIUM METAL PLANT

16 September 2026, Victoria, Australia: Latrobe Magnesium Limited (ASX: LMG) is pleased to announce:

- **LMG provides further detail underpinning its 50 ktpa Magnesium Metal Plant in the USA**
- **LMG notes the existing 20-year binding MOU with Société Le Nickel (Eramet) has sufficient optionality to increase the offtake volume to fully cater for the feedstock requirements for the 30-year economic life of the 50 ktpa commercial plant. LMG notes it intends to enter negotiations to cater for expansion optionality for a second 50 ktpa train in the USA.**
- **LMG has also provided further detail as to the make-up of its US$1.1-1.5B capital estimate and a schematic representation of its flow sheet for reference**
- **No change has been made to its capital and operating cost estimates, yielding an NPV_{10} range of US$1.4-2.7B (mid-case capital and operating cost estimate) and an unlevered IRR range of 18-26%, at a price range of US$5000-7500/t (spot US$7050/t). LMG has provided additional analysis to provide sensitivities on key value drivers.**
- **LMG has also provided an indicative funding concept for 50 ktpa project, noting it retains the flexibility to optimise the funding structure as the project progresses.**

Latrobe Magnesium Limited (Latrobe, the Company or LMG) (ASX: LMG) is pleased to provide an update regarding its U.S.-based 50 ktpa Project (the **U.S. Project** or the **Project)** following its announcement titled “LMG to Pursue Strategic 50 KTPA Magnesium Metal Plant in USA” on the 15 September 2026.

Ferronickel supply agreement

LMG previously announced its binding 20-year Memorandum of Understanding with Société Le Nickel (SLN), a member of the Eramet group, caters for the full feedstock requirement of the Project, both in terms of the committed annual volume allocated to LMG under the MOU and the scale of the underlying resource.

Whilst the agreement is for 20-years from 2026 and the economic life utilised to determine project economics is 30 years from first production (2030), under the agreement, LMG has the optionality to increase offtake volume to 600 ktpa, which covers the full feedstock requirements over the economic life of the project.

This provides LMG confidence it is able to secure adequate feedstock over the Project’s life. LMG notes it intends to enter negotiations to cater for expansion optionality for a second 50 ktpa train in the USA. SLN is a partner of choice for LMG, given it holds an existing stockpile of approximately 28 million tonnes (Mt)[1] of ferronickel slag, close to infrastructure.

Final Investment Decision Funding

LMG will conduct negotiations for FID funding through the course of the feasibility study, as the capital cost range narrows, to determine the appropriate balance of project finance, project level equity, offtake finance and equity contributions by LMG. LMG notes the strong offtake interest it has for the project, given the signed LOIs. It also notes available equity and project financing funding pathways available via U.S. Federal and State Government bodies, such as the substantial incentives package received from the state of South Carolina. LMG will advise the market of any updates to its intended funding pathway when appropriate to do so.

LMG believes it is premature to nominate proportional splits of funding sources, as it will balance cost of financing, risk and flexibility in the eighteen months between now and its planned FID milestone.

[1] Calculated from SLN production data over operating life of smelter

Additional capital cost detail

LMG is also pleased to provide additional detail supporting its range of US$1.1-1.5B previously announced to the market. LMG notes the estimate is based on LMG's 100 ktpa International Plant PFS conducted by Bechtel; factored for size (50 ktpa vs 100 ktpa), US location (vs PFS-A reference), escalated for construction from 2028 and inflated to consider changes in appropriate construction cost indices from 2022.

40% contingency has been included in the estimate to account for estimate accuracy (Class V) and a range provided around the mid-point estimate.

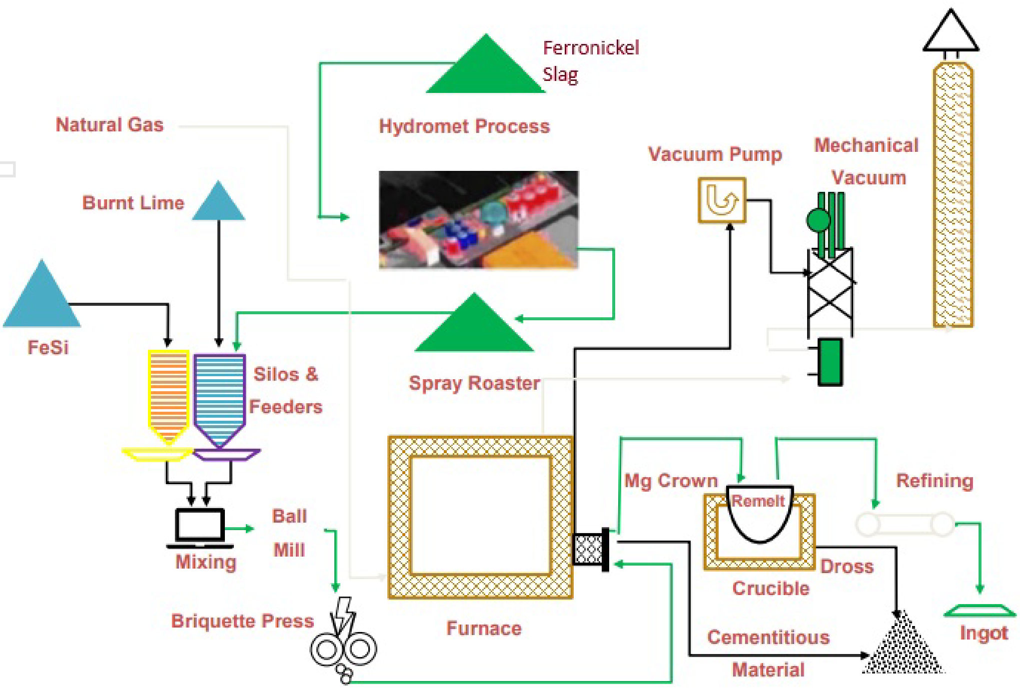
Table 1 U.S. 50 ktpa Project Estimate

	Mid-Case (US$M)
Pre-FID Spend	30
Direct Costs	
Process Plant	520
Alloying Plant	30
Infrastructure	50
Total Directs	630
Project Delivery	226
Contingency	314
Indirect Costs	540
Owners Costs	100
Total	1300
Total – Lower Case	1100
Total – Higher Case	1500

Flow sheet

Due to the protections in place to prevent LMG losing intellectual property over its novel flowsheet, elements of LMG's intended process flowsheet for the US 50 ktpa plant remains commercial in confidence. However, LMG has conducted a Pre-Feasibility Study on a large commercial plant which provides the mass and energy balances, design criteria and estimates that form the basis for the engineering to be conducted as part of the FS.

Figure 1 Flow Sheet for Magnesium Processing Plant



Sensitivity analysis

LMG has provided an analysis on the sensitivity of the valuation range to key variables in Table 2.

Table 2 Key Variable Valuation Sensitivities

	Sensitivity	NPV Impact (US$m)
Magnesium realised price	+/- US$705/t	+/- US$210m
Silica realised price	+/- US$60/t	+/- US$140m
Capital Cost	+/- US$200m	+/- US$90m
Operating Cost	+/-US$300/t	+/- US$90m
Production rate	+/- 5ktpa	+/- US$310m
Discount rate	+/- 1%	+/- US$360m

The key variables do not represent every possible outcome and changes in more than one input at the same time may have a greater positive or negative effect on the NPV. Consistent with our release on 15 September 2026, we have shown that analysis in table form for simplicity, with the valuation at spot a reference.

Table 3 Valuation Ranges

		Price Sensitivity		
		Lower Case Mg: US$5000/t SiO2: US$500/t	*Central Case* Mg: US$7050/t (spot) SiO2: US$600/t	*Higher Case* Mg: US$7500/t SiO2: US$750/t
Project Sensitivity	*Lower Case* Capex: US$1.1B Opex: US$2,600/t	NPV: US$1.7b	US$2.6b	US$3.1b
	Mid Case Capex: US$1.3B Opex: US$3,300/t	US$1.4b	US$2.2b	US$2.7b
	Higher Case Capex: US$1.5B Opex: US$4,000/t	US$1.0b	US$1.9b	US$2.4b

Next steps

As outlined in the LMG announcement "LMG to Pursue Strategic 50 KTPA Magnesium Metal Plant in USA" released on 15 September 2026, LMG will continue to provide regular updates to the market as the Project progresses.

Jock Murray AO

Chairman

16 September 2026

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About Latrobe Magnesium

Latrobe Magnesium (LMG) is a magnesium metal developer with projects in Australia, the United States and Malaysia, based on its world first patented extraction process which recovers magnesium metal, cementitious material and other products from industrial by-products including brown coal ash and ferronickel slag.

LMG has completed the first half of a Demonstration Plant in Victoria's Latrobe Valley which has now produced sustained magnesium oxide and other saleable by-products, with the full plant, including magnesium metal production, expected to be commissioned in the second half of 2026. 100% of the Demonstration Plant's magnesium metal is allocated to the U.S. market through LMG's distribution partner, Metal Exchange LLC.

LMG is developing a 50 ktpa primary magnesium metal plant in Colleton County, South Carolina, USA, using ferronickel slag feedstock, with site capacity for a future Phase 2 expansion to 100 ktpa.

LMG also holds development rights for a 10 ktpa Commercial Plant in Victoria's Latrobe Valley (currently on hold) and for an International ‘Mega’ Plant in the state of Sarawak, Malaysia, with potential a planned capacity up to of 100 ktpa, 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, defence, medical and electronics industries.

LMG's projects are at the forefront of ESG best-practice by recycling industrial by-products, avoiding landfill, generating zero waste and tailings, encouraging a circular economy, and by being a low CO_2 emitter.