
LMG's 2025 RESEARCH & DEVELOPMENT \$6.29M REBATE RECEIVED FROM ATO

23 December 2025, Latrobe Magnesium Limited (ASX:LMG) is pleased to announce that it has received \$6,296,373 from its research and development (R&D) incentive from the ATO, the amount includes interest of \$30,984.

The full R&D rebate has been used to repay LMG's debt to RnD Funding (RnD)

The current RnD debt facility balance outstanding is approximately \$8.9M. This comprises loans of \$2.4M and the residual value on the current equipment lease of \$6.1M. There is also a small residual GST loan of \$355K.

LMG received a \$6.29M tax rebate and after its payment to RnD today, LMG's outstanding liability to RnD will be approximately \$2.6M. The Company believes this will be extinguished by the combination of the sale proceeds of the two excess lots for a total of \$2.8M. Lot 7 contract has been issued and is expected to settle by June 2026. JLL has a proposed buyer that has offered \$1.5M for Lot 6 for a settlement in September 2026. LMG has contacted its financier to agree to the release of these two lots for sale.

LMG has also generated a 2026 rebate from its expenditure in the first four months to 31 October 2025 of some \$2.7M.

LMG have provided a lease extension to RnD from November 2025 to June 2027. LMG disclosed this liability as a contingent liability in its 2025 Annual Report. Although the financier has accepted the extension terms there is an issue with the validity of the lease extension. The matter and the amount of liability is in dispute and subject to negotiations. The company will keep shareholders informed as the dispute progresses.



David Paterson
Chief Executive Officer

23 December 2025

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 half of the calendar year 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 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.