

QUARTERLY ACTIVITIES REPORT

31 March 2026

Highlights:

- * Sustained MgO production campaign achieved at the Demonstration Plant in Hazelwood North, Victoria, producing approximately 20 tonnes of high-grade MgO over a two-week continuous operation period, with assay results confirming product quality with commercial specifications.
- * MgO X-ray Diffraction (XRD) assay results confirming approximately 90% magnesium compounds with residual calcium oxide (CaO) at 5% and calcium chloride (CaCl₂) at 5.5%, validating the output quality required for downstream magnesium metal production.
- * Phase 1B commencement of installation & commissioning activities in late March, with the Demonstration Plant entering a planned shutdown to facilitate installation of magnesium metal production equipment, including Birquetting & Reduction Furnace systems, targeting first magnesium metal in the second half of 2026.
- * Confirmation of a USD \$2M (approximately AUD \$2.82M) non-dilutive prepayment from U.S. distribution partner Metal Exchange LLC (MX), to be recovered through a margin-sharing arrangement on future magnesium metal sales, providing targeted non-dilutive funding for Phase 1B project delivery.
- * Initial MgO inventory sold to a customer ahead of the planned shutdown, representing the first commercial revenue generation from the Demonstration Plant.

1. Stage 1 Demonstration Plant

1.1 Operations

During the quarter, the Stage 1 Demonstration Plant at Hazelwood North, Victoria achieved a significant milestone with the completion of a sustained MgO production campaign. Following the recommencement of operations in February 2026 after the rectification of all previously identified mechanical defects, the Demonstration Plant operated continuously over a two-week period, producing approximately 20 tonnes of high-grade Magnesium Oxide (MgO) from brown coal fly ash.

The sustained production run validated the stability and reliability of the company's proprietary hydrometallurgical process under real operational conditions. MgO produced during the campaign was packaged in one-tonne bulk bags ahead of dispatch to an initial customer. This first commercial sale of MgO represents an important milestone in the company's commercialisation pathway.

X-ray diffraction (XRD) assay results were received during the quarter, confirming that the MgO produced met the company's targeted quality specifications. Results showed approximately 90% magnesium compounds, with residual calcium oxide (CaO) at approximately 5.0% and calcium chloride (CaCl₂) at approximately 5.5%. These findings are consistent with prior CSIRO test work, which demonstrated that Mg compounds of up to approximately 94% purity do not adversely affect magnesium metal recovery or quality in downstream processing.



Commercial Sale of Magnesium Oxide and Samples

The below table summarises the detailed mineralogy of the XRD analysis. Accordingly, the assay results provide strong confidence in the transition to metal production.

Compound	XRD
MgO	83%
MgCl ₂	6.5%
Fe ₂ O ₃	N.D.
NaCl	N.D.
CaSO ₄	N.D.
CaCl ₂	5.5%
CaO	5.0%

Notably, the presence of CaO in the produced MgO is advantageous for the subsequent briquetting process, as it reduces the requirement for supplementary burnt lime as a consumable input, contributing to a lower cost of production.

The Demonstration Plant also successfully produced several by-products, including char and iron oxide that will now commence customer validation trials with multiple interested parties to confirm byproduct specifications for sale as well as for the future Stage 2 Commercial Plant.



Production of Char and Iron Oxide by-products ready for customer trials

Following the successful production campaign, the Demonstration Plant was transitioned into a planned shutdown to enable the installation and commissioning of Phase 1B magnesium metal production equipment, as detailed in Section 1.2 below. The company intends to recommence MgO production as Phase 1B commissioning activities reach completion, with first magnesium metal production targeted for the second half of calendar year 2026.

1.2 Phase 1B Installation and Commissioning

Phase 1B installation and commissioning activities formally commenced towards the end of March 2026. Phase 1B encompasses the installation and commissioning of the pyrometallurgical (i.e., thermal reduction) equipment of the plant required to initially produce 500tpa of magnesium metal, including the Briquetting and the Reduction Furnace systems.

A key operational strength of Phase 1B is the continuity of personnel. The workforce deployed on Phase 1B is composed substantially of the same operators, fitters, and electricians who operated the Phase 1A plant. Retaining this team ensures direct knowledge of the Demonstration Plant's systems, equipment layout, and operational characteristics is secured, which is expected to facilitate a smoother and more efficient commissioning and operation start-up process compared to a site mobilised with unfamiliar personnel.

During the quarter, the Phase 1B team progressed the initial layout and positioning of major mechanical equipment across the Briquetting and Reduction Furnace work areas. Key installation activities commenced during the period included:

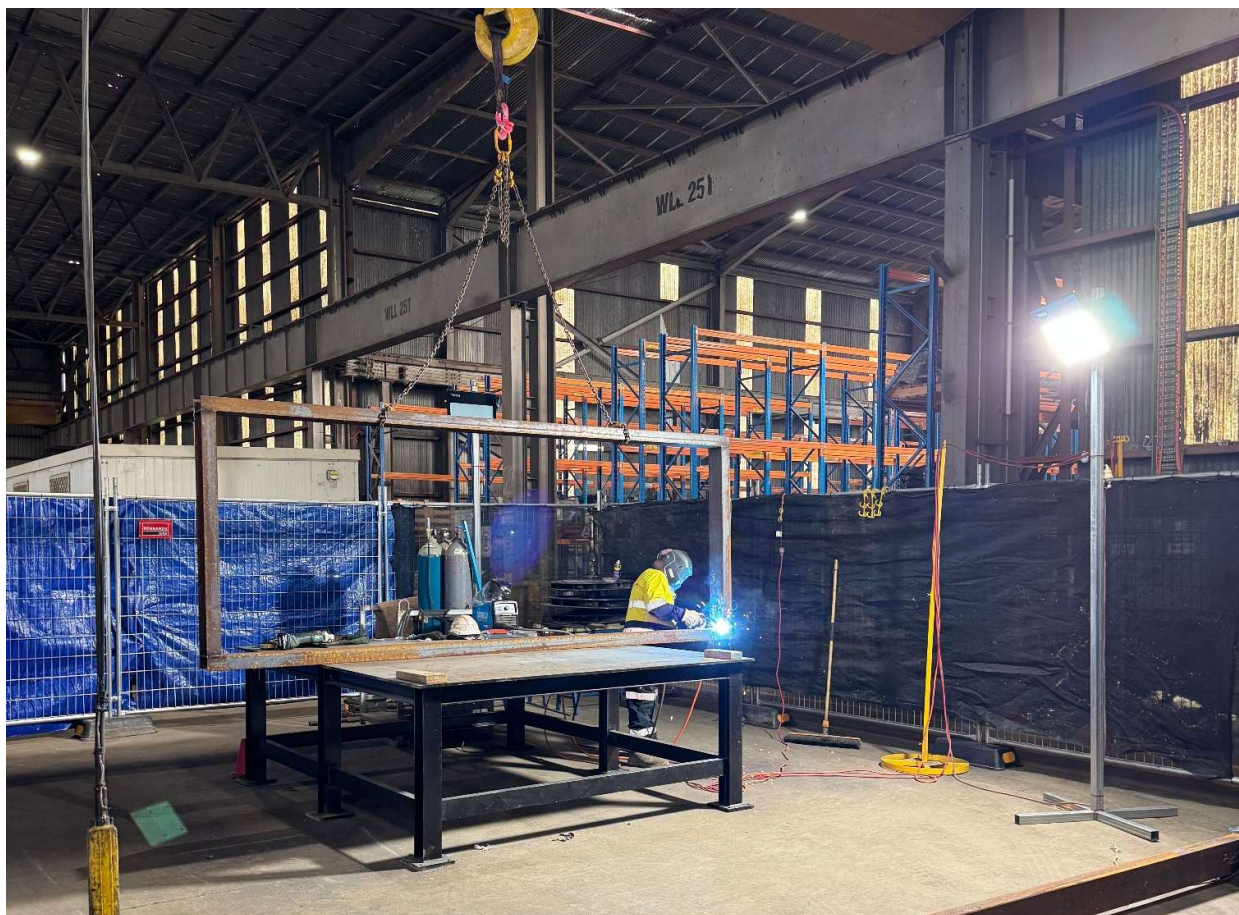
- Unloading and unpacking all major and ancillary equipment from storage and relocation of items to dedicated construction laydown zones.
- Lift-in and positioning of major mechanical equipment associated with the Briquetting area, including hoppers, dust collectors, weigh feeders, and screw conveyors.
- In-house fabrication of required equipment access platforms.
- Commencement of drawing packages and cable schedules to assist E&I installations.
- Commencement of major electrical cable-pull activities from the Motor Control Centre (MCC) to major equipment already located in Briquetting area (i.e., Ball Mill & Briquette Machine).



Heavy lift operations completed to position equipment (hopper) in their final installed location.

The installation scope will progress through the next quarter with fabrication, assembly, and installation of key equipment, including weigh feeders, ducting, access platforms, associated conveyor components, and process piping. Additionally, the continuation of major electrical cable-pull activities and installation of electrical PLC cabinets, junction boxes, instrumentation, and local wiring.

The Demonstration Plant's Phase 1B will include the installation of horizontal retorts targeting 500 tpa of magnesium metal, with first magnesium metal production from the Demonstration Plant is anticipated in the second half of calendar year 2026.



Major electrical cable-pull activities from MCC-201 to major equipment installed in field (*top*) & In-house fabrication and welding of equipment access platforms required (*bottom*)

2. Stage 2, 10,000tpa Commercial Plant

During the quarter, the Stage 2 10,000 tpa Commercial Plant Feasibility Study (FS), developed in collaboration with Bechtel Australia Pty Ltd (Bechtel), remained ready for execution pending funding availability, with no material or major developments since the previous quarter.

3. Stage 3, 100,000tpa International Plant

Over the course of the quarter, LMG's fully owned subsidiary, Latrobe Magnesium Sarawak (LMS), maintained its focus on advancing regulatory interactions and early-stage preparatory work for the proposed 100,000 tpa international project in Sarawak, Malaysia. No significant or material changes occurred compared with the prior quarter.

4. Mincore Legal Proceedings Update

During the quarter, there were no material or major developments in the legal proceedings between the company and Mincore Pty Ltd since the previous quarter. The company continues to prepare its evidentiary case for presentation to the Court, and a more comprehensive update will be provided in the next quarterly report, subject to material developments.

5. Funding

During the quarter, the company was advised of a significant non-dilutive funding contribution to support Phase 1B project delivery. On 31 March 2026, LMG announced that its U.S. distribution partner, Metal Exchange LLC (MX), had provided a prepayment of USD \$2 million (approximately AUD \$2.82 million) against future magnesium metal shipments from the Demonstration Plant.

The prepayment will be recovered by MX through a margin-sharing arrangement applied to magnesium metal sales, with LMG maintaining cash-positive economics on sales during the recovery period. This structure is non-dilutive to existing shareholders and directly aligns the interests of LMG and MX as the company advances toward first metal production.

The prepayment funds are intended to support the delivery of Phase 1B, which involves the installation and commissioning of the pyrometallurgical equipment required to produce magnesium metal. Metal Exchange President Trevor Hansen noted the partnership reflects a shared commitment to supply chain resilience and bringing new Western production capacity into the U.S. magnesium market.

The company also notes that Australian-produced magnesium metal is not subject to U.S. import tariffs, which is expected to support the competitiveness of LMG's product in the U.S. market, particularly in the context of ongoing global supply chain disruptions and heightened focus on securing non-Chinese sources of critical minerals. The U.S. currently has no domestic primary magnesium production and remains reliant on imports, with ~90% of global supply originating from China and a further ~6% from Russia.

LMG's commitment to supporting the U.S. supply chain resilience is reciprocated through strong bilateral support for the company's broader development strategy, including the previously announced Letter of Interest from the Export-Import Bank of the United States (EXIM) in respect of the company's Stage 3 project, and support from Export Finance Australia (EFA) in relation to Stage 2 project in Victoria's Latrobe Valley.

The company continues to pursue additional sources of funding, including government grants both domestically and internationally, to support its operational and commercial objectives.

The contracts for surplus land Lot 7 and Lot 6 are progressing toward their respective anticipated settlement dates of June 2026 and December 2026.

The company has generated an estimated R&D rebate of approximately \$3.6M from expenditure incurred in the six months to 31 December 2025.

6. Cash at Bank

As of 31 March 2026, LMG had \$1.3M in its Bank. It is noted that the MX prepayment of approximately AUD \$2.82M was received on 7 April 2026

7. Listing Rule 5.3.5

In accordance with ASX Listing Rule 5.3.5, LMG advises that during the quarter, payments of \$59,000 were made to Directors or their associated entities for Director fees, as disclosed in Appendix 5B.

Should you have any queries regarding this announcement, please contact David Paterson on his mobile +61 421 234 688.

David Paterson

Chief Executive Officer

29 April 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Latrobe Magnesium Limited

ABN

55 009 173 611

Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	37
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(322)	(1,680)
	(e) administration and corporate costs	(459)	(2,008)
1.3	Dividends received (see note 3)		
1.4	Interest received	6	18
1.5	Interest and other costs of finance paid	-	(8)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	-	6,296
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(775)	2,655
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(2,453)	(6,749)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets	(3)	(39)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	2	2
2.6	Net cash from / (used in) investing activities	(2,454)	(6,786)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	9,970
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(677)
3.5	Proceeds from borrowings	2,918	-
3.6	Repayment of borrowings	-	(2,864)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	-	(3,432)
3.10	Net cash from / (used in) financing activities	2,918	2,997

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,519	2,424
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(775)	2,655
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,454)	(6,786)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,918	2,997

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	4,207	1,289

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,272	4,491
5.2	Call deposits	17	28
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	2,918	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,207	4,519

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000								
7.1 Loan facilities	28,000	27,300								
7.2 Credit standby arrangements	-	-								
7.3 Other (please specify)	-	-								
7.4 Total financing facilities	27,300	27,300								
7.5 Unused financing facilities available at quarter end		700								
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.										
<table border="1"> <tr> <td>Facility</td> <td>\$28,000,000 – Secured: \$27.3 million has been drawn to 30 September 2025. The amounts have all been repaid as at 31 December 2025.</td> </tr> <tr> <td>Lender</td> <td>RnD Funding Pty Ltd</td> </tr> <tr> <td>Interest Rate</td> <td>12% pa. to 31 October 2023, and 18% pa. from 1 November 2023 to 31 December 2024 and 24% pa. thereafter to maturity date</td> </tr> <tr> <td>Maturity Date</td> <td>31 December 2027</td> </tr> </table>			Facility	\$28,000,000 – Secured: \$27.3 million has been drawn to 30 September 2025. The amounts have all been repaid as at 31 December 2025.	Lender	RnD Funding Pty Ltd	Interest Rate	12% pa. to 31 October 2023, and 18% pa. from 1 November 2023 to 31 December 2024 and 24% pa. thereafter to maturity date	Maturity Date	31 December 2027
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Lender	RnD Funding Pty Ltd									
Interest Rate	12% pa. to 31 October 2023, and 18% pa. from 1 November 2023 to 31 December 2024 and 24% pa. thereafter to maturity date									
Maturity Date	31 December 2027									

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(775)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(775)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,207
8.5 Unused finance facilities available at quarter end (item 7.5)	700
8.6 Total available funding (item 8.4 + item 8.5)	4,907
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2026

Date:

Audit and Risk Committee

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.